



Rinnai Report 2024 (Integrated Report)

Rinnai

Aiming for the Realization of Healthy and Comfortable Lifestyles and Sustainable Societies

Since its establishment in 1920, Rinnai has contributed to more affluent lives for people around the world by providing products and services suited to the lifestyles, climates, and energy conditions of each country.

To fulfill our brand promise “Creating a healthier way of living,” we will continue to contribute to the attainment of a healthy, comfortable lifestyle and sustainable society for people worldwide by utilizing all energy sources in the areas of heat and lifestyles and health and lifestyles, and by solving global social issues with our core technologies.



Fundamental Concept

Quality is our destiny

Company Motto

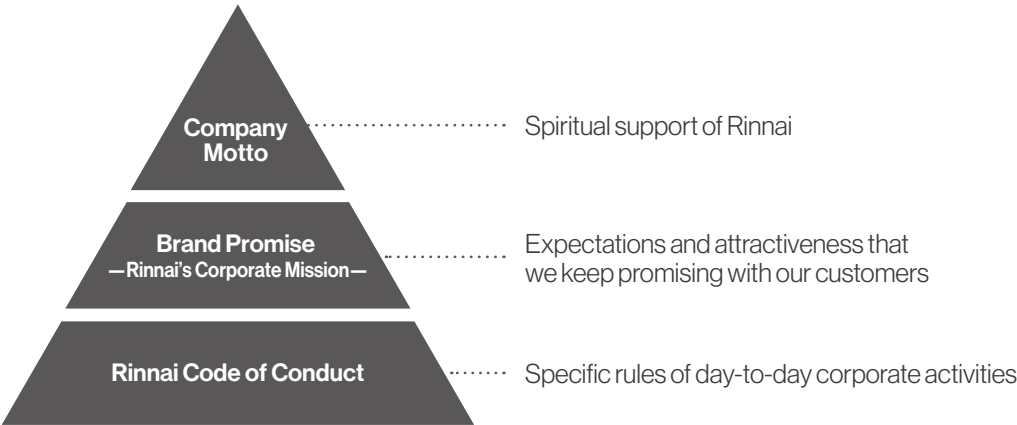


- 和 Harmony: Develop personal character of the highest caliber
- 氣 Spirit: Base your efforts on a consistent philosophy
- 真 Sincerity: Know the fundamentals and consider issues with precision and clarity

Brand Promise — Rinnai's Corporate Mission —

Creating a healthier way of living

Schematic Diagram of Company Ideals



Rinnai Human Rights Policy

In accordance with the United Nations Guiding Principles on Business and Human Rights, Rinnai Corporation established the Rinnai Human Rights Policy and hereby declares that it will respect human rights in all its business activities. For details, please refer to the following.
<https://www.rinnai.co.jp/en/corp/human-rights/>

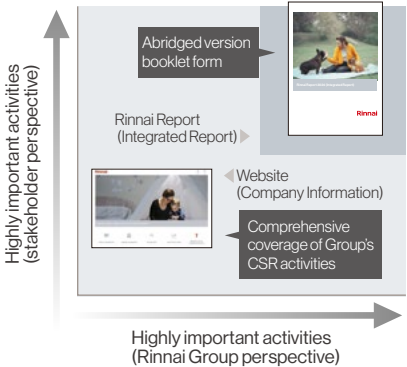
Rinnai Report 2024 (Integrated Report)

Editorial Policy

Rinnai produced the Rinnai Report 2024 (Integrated Report) to convey to stakeholders management's approach to the realization of a sustainable society, to describe the activities undertaken Groupwide, and to encourage a deeper understanding of the Group's operations to as many people as possible.

Rinnai's Activities

We produce an abridged version of our Rinnai Report (Integrated Report) in booklet form. Other examples of Company initiatives, detailed information, and related data are posted in the Company Information section of our website.



Scope

Rinnai Group (Rinnai Corporation and companies under the Rinnai Group umbrella in Japan and overseas)

Reporting Period

This report focuses on events that occurred in fiscal 2024 — April 1, 2023, to March 31, 2024 — but also touches upon measures implemented and recent activities undertaken since fiscal 2023 as well as future business direction, targets, and plans.

Referenced Guidelines

GRI Standards, ISO 26000, Environmental Reporting Guidelines, issued by Japan's Ministry of the Environment
Environmental Accounting Guidelines, issued by Japan's Ministry of the Environment
IIRC, The International Integrated Reporting Framework

Publication Schedule

August 2024 (Japanese version)
Previous: August 2023, Next: August 2025 (planned)

Important Points Regarding Future Outlook

This report includes descriptions of earnings forecasts and outlooks for Rinnai and Group companies.
These descriptions are based on currently available information and forecasts as determined by Rinnai. Actual results may differ from forecasts depending on various external factors going forward.

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Our History

Thinking Unchanged from the Company's Foundation



A catalogue of pressurized kerosene gas stoves, a product of the Rinnai founding

A product catalog issued at the time of the Company's founding in 1920 contains the same philosophy of social contribution it lives by today.

Wording listed in catalog	Aspirations unchanged even today
<ul style="list-style-type: none"> • Saving on fuel costs is an urgent priority • Achieving the ideal of scientific manufacturing • Outstanding technology that differs from conventional products and structures • We value responsibility and trust as our foundation • Contributing to society by improving manufacturing efficiency 	<ul style="list-style-type: none"> ⇒ • Energy conservation and contribution to the global environment ⇒ • Establishing ideal technology ⇒ • Technological advancement through breakthroughs ⇒ • Building a brand known for safety and peace of mind ⇒ • Social contribution through productivity

Two facts that make us feel our Purpose

(1) Promoting the diffusion of products that contribute to the global environment

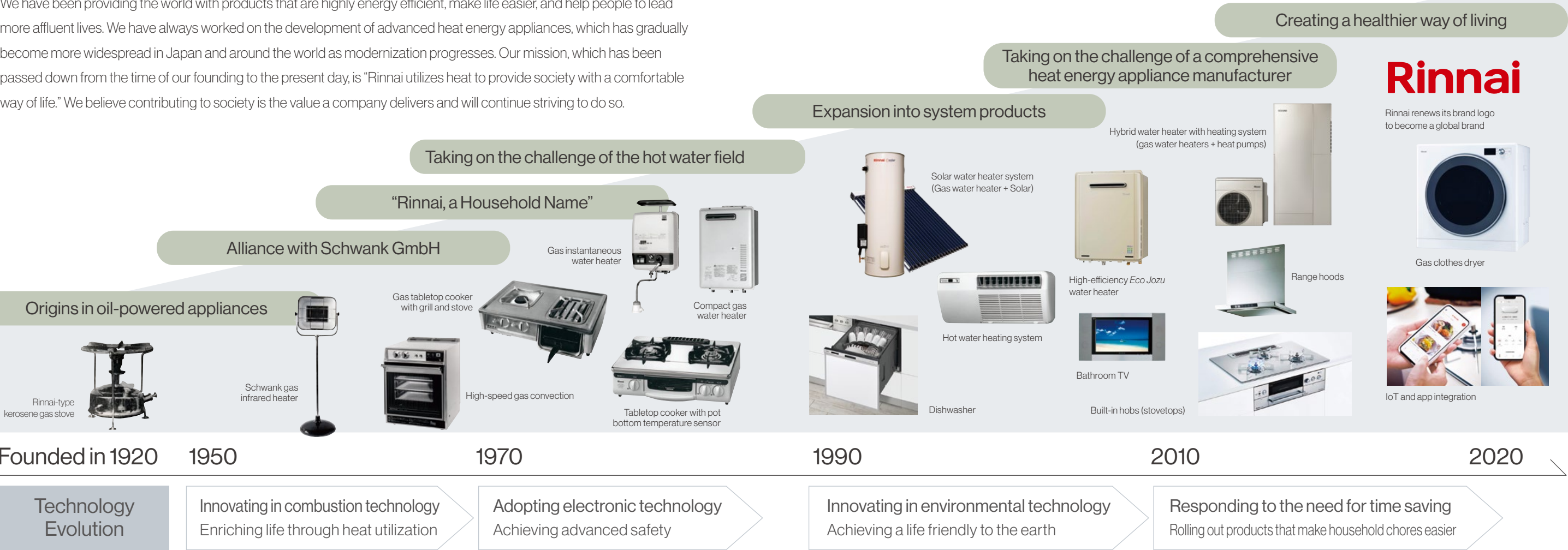
Currently, the volume of CO₂ emitted by Rinnai products used in the market accounts for about 1.5% of Japan's total emissions. While the heat energy appliances we provide are necessary for people to live affluent lives, we also recognize our responsibility as a company to reduce CO₂ emissions and feel that we must develop and promote energy-saving products that reduce CO₂.

(2) Providing a stable supply of products necessary for daily life

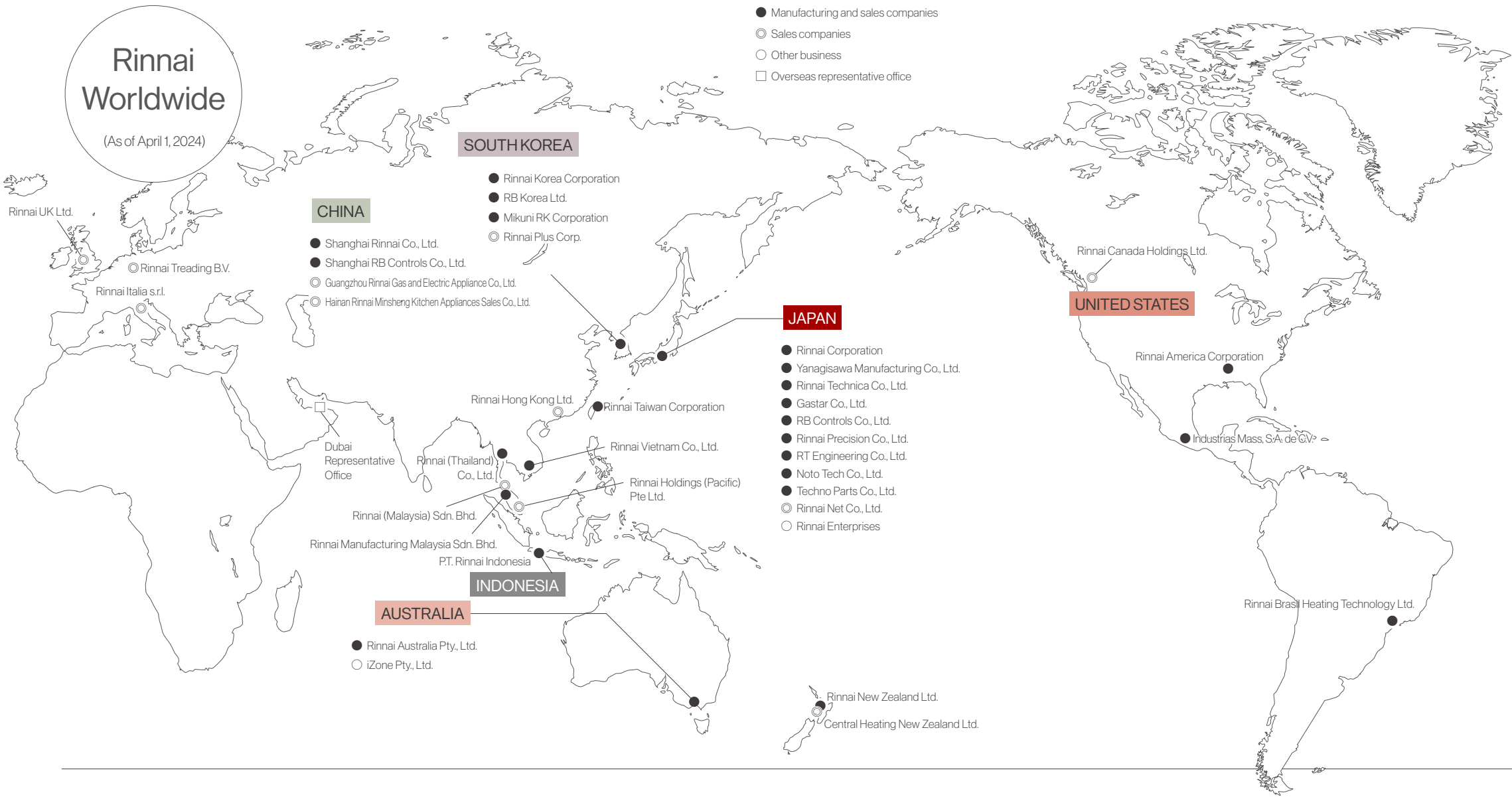
The COVID-19 pandemic triggered a shortage of materials and parts is in our recent memory. This has in turn led to difficulties in supplying our products to the market. We were made keenly aware of the deficiencies of our production system and have reflected on the great inconvenience caused to our customers who use our equipment. At the same time, this situation has also been an opportunity for us to realize once again that the products we deliver are necessary for daily life.

What we continue to do unchanged both in the past and present (evolution in the products offered)

We have been providing the world with products that are highly energy efficient, make life easier, and help people to lead more affluent lives. We have always worked on the development of advanced heat energy appliances, which has gradually become more widespread in Japan and around the world as modernization progresses. Our mission, which has been passed down from the time of our founding to the present day, is "Rinnai utilizes heat to provide society with a comfortable way of life." We believe contributing to society is the value a company delivers and will continue striving to do so.

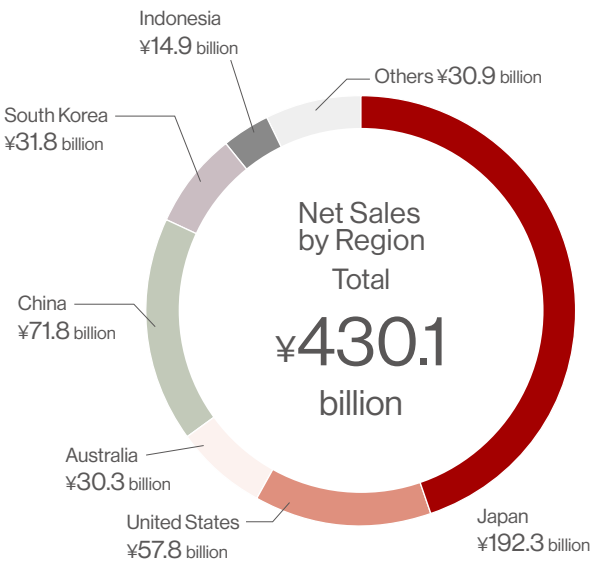


Rinnai Group Profile



Corporate Data (As of March 31, 2024)

Incorporated	September 1, 1920
Established	September 2, 1950
Paid-in capital	¥6,484,416,754
Head office	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802, Japan
Telephone	(From outside Japan): +81-52-361-8211
Number of employees	10,837 (consolidated), 3,532 (non-consolidated)
Number of Group companies	47 (domestic 12, overseas 35)



Water Heaters and Heating Systems

Water heaters, water heater with bath-filling systems, water heater with heating systems, hybrid water heater with heating systems, bathroom heater/dryer, floor heating systems, and others



Eco Jozu, gas water heater with bath-filling system (JAPAN)



High-efficiency gas tankless water heater (UNITED STATES)

Kitchen Appliances

Tabletop cookers, built-in hobs (stove-tops), ovens, dishwashers, range hoods, rice cookers, and others



DELICIA built-in gas hob (stove-top) (JAPAN)



Dishwasher (JAPAN)

Home Heaters

Fan heaters, fanned flue heaters, infrared heaters, and others



Gas fan heater A-style (JAPAN)



Fanned flue heater (UNITED STATES)

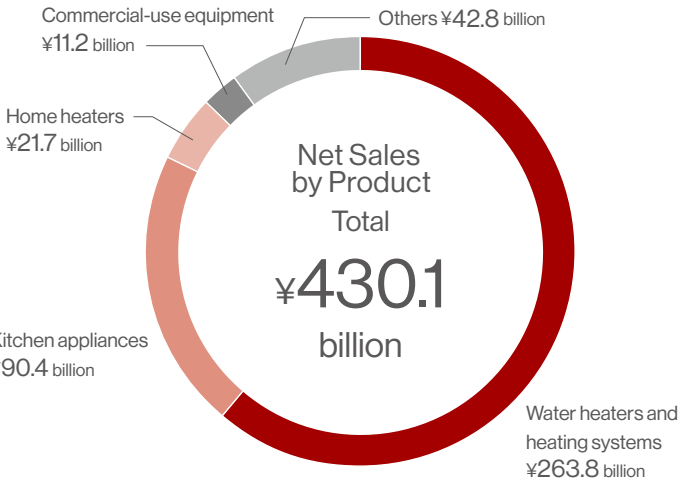
Commercial-Use Equipment, Others

Industrial ceramics machines, commercial-use ranges, commercial-use cookers, gas clothes dryers, components, and others



Gas clothes dryer (JAPAN)

Duct-type air-conditioning and heating system (AUSTRALIA)



**Ensuring Sustainable Growth
through Products Meeting
Society’s Needs and Management
Conscious of the Cost of Capital**

President **Hiroyasu Naito**

**A bright outlook with the return of steady demand despite
an ongoing challenging business environment**

In fiscal 2024, the fiscal year ended March 31, 2024, business sentiment continued to worsen as the global economy was marked by rising prices and monetary tightening implemented in various countries leading to a persistently challenging business environment both at in Japan and abroad. In the first half of the fiscal year, the Rinnai Group contended with hefty inventories associated with a retreat in consumer confidence. Yet in the second half, the Group endeavored to optimize inventory levels, and such positive factors as fixed cost reductions both in Japan and overseas, costs of goods accompanying a recovery in production volumes, and price revisions led to a meaningful recovery in both sales and profits. That said, we were unable to compensate for the losses in the first half, resulting in a decline in operating income versus the prior year. For fiscal 2024, net sales were ¥430,186 million (up 1.2% year on year), operating income was ¥39,362 million (down 5.0%), ordinary income was ¥46,071 million (up 3.4%), and net income attributable to owners of the parent company was ¥26,667 million (up 2.2%). Fiscal 2024 was the midpoint of the New ERA 2025 medium-term business plan, but looking back over the past three years, the COVID-19 pandemic and the impact of the situation in Ukraine have led to continued disruption on several fronts, including the supply-demand balance, supply chains, and logistics, which has created instability in our profit numbers. Despite this, the Rinnai continues to set new all-time highs for sales, and I believe that we can look forward higher profits moving forward as the business environment normalizes owing to the recovery of conditions in both domestic and international markets.

Message from the President

Progress in the Third Year of New ERA 2025

Advancement in Addressing Social Challenges: Rinnai Products that Support the Sustainability of Society and the Home

Rinnai has sold products that contribute to improving the quality of life and protecting the global environment to fulfill one of the strategic stories in the medium-term business plan: “advancement in solving social challenges.” It aimed to increase sales by 50% compared to fiscal 2021 by the plan’s final year, but am I pleased to report that this target was achieved in fiscal 2024.

As a result, we have revised our targets upward, aiming for a 100% increase in products that contribute to improved quality of life and a 70% increase in products that benefit the global environment. In addition, the target amount contributed to reducing CO₂ emissions by using Rinnai products has been raised from 7.0 million tons to 8.2 million tons (compared to fiscal 2021). This shows that there was very strong support for products that contribute to improving the quality of life protecting the global environment. In fiscal 2024, our *ECO ONE* gas-electric hybrid water heater with heating systems, *Kanta-kun* gas clothes dryers, and ultra-fine bubble water heaters won support from many different perspectives.

The *ECO ONE* series, which has a significant impact on reducing the burden on the environment, has been eligible for government subsidies for installation since 2023. Even major gas companies and housing manufacturers are installing it as a product suitable for carbon neutrality, and Rinnai’s first-mover advantage is being demonstrated as sales began in 2010. In fiscal 2024, the number unit sold increased 1.6-fold year on year, and our target of 300,000 units for fiscal 2031 is clearly within sight. We are focused on expanding *ECO ONE*’s product variations, such as increasing the flexibility of installation locations, and will continue to work to further expand sales. We are confident that demand for environmental technology will continue to grow as the world strives towards decarbonization.

To capture the opportunities this trend presents, we will continue to invest intensively in the development of various environmental technologies, including heat pumps and hydrogen energy.

Kanta-kun is a popular product that can reduce the burden of household chores in today’s homes, where it is the norm for both partners to be employed. I have the impression that an increasing number of new condominiums are being built with our gas dryers as standard equipment. At present, the household penetration rate for *Kanta-kun* is around 16% in Okinawa prefecture, the region with the highest rate, but only around 1% in other regions. *Kanta-kun* is often used when weather that makes it difficult to hang clothes outside to dry. And in the modern era, when climate change is being observed, we think there is ample room for it to take spread in a wide range of regions and have high hopes for its future. In recent years, there has been an upswing in social media posts applauding *Kanta-kun*, which has contributed to growing awareness of its high functionality. We recognize that *Kanta-kun* is an important product that allows users to experience the reduction of housework time and the feeling of the finished laundry, and to be impressed by it. We recognize that *Kanta-kun* not only shortens time spent on household chores but is also a product where it is important for users to have a tangible experience of feeling the finished laundry and be impressed by it. We will continue to accurately identify social needs, innovate promotional strategies, and aim to increase household penetration rates.

Ultra-fine bubble water heaters, which reduce the burden of cleaning wet areas, are now being installed in new condominiums. The system can distribute hot water with a high cleaning effect throughout the house using microbubbles less than 1 micron in diameter, preventing bothersome stains and limescale from accumulating in places such as bathrooms, washrooms, and kitchens. Ultra-fine bubbles are widely known for their health and beauty benefits, but the new advertising campaign highlighting their cleaning power from a household perspective was highly praised. Going forward, we will expand the lineup as a product that we will focus on in the future.



ECO ONE X5 contributing to the achievement of carbon neutrality

I believe that gas appliances can only be used with peace of mind when they are made with the highest quality and incorporate the latest technology. The Company has been contributing to more affluent lives for people through its products for over 100 years. *ECO ONE*, which is now a mainstay product, was first sold in 2010, and *Kanta-kun* was first sold in 1992. As such, they each have a history, but they were not as highly regarded as they are now from the outset. Undaunted, we



Kanta-kun gas clothes dryer that helps reduce time required for household chores

continued to refine their technologies and roll out new products, believing in the high value they offer to our customers. Today, where there is a demand for a sustainable society, we are proud to offer products that meet this demand, and we will continue to expand our lineup in the future. Rinnai’s promise to its customers is to create healthier and more comfortable lifestyles, and we will contribute to solving social issues through our technological capabilities and quality.

Expansion of Business Scale: Attuned to Market Trends and Policies in Each Country to Promote Growth

In terms of expansion of overseas business scale, which is a key focus of the current medium-term business plan, we have positioned the United States and China as priority markets. In fiscal 2024, the America segment posted an operating loss due to a build-up of inventory caused by a slowdown in demand. However, we are already seeing progress in inventory optimization, with the segment projected to return to profitability in fiscal 2025. In the United States, where hot water storage tanks with poor thermal efficiency are widely used, Rinnai has actively marketed its efficient instantaneous water heaters. Demand has increased thanks to these efforts, and the market has started to shift towards high-efficiency water heaters.

In the future, the key will be not only gas but also how to introduce heat pump water heaters that use electricity, so Rinnai America believes it is necessary to closely monitor trends in environmental measures and policies in the country and steer the business in that direction. The China segment has sustained its strong performance with sales through online sales and

physical stores continuing to grow, even amid continued real estate market deterioration. Previously, we only sold our products in physical stores in major metropolitan areas, but we have now also launched sales in medium-sized cities and plan to continue expanding the number of outlets that handle Rinnai products. The second phase of construction at the China Fengxian Factory in Shanghai is also underway. The expanded facility producing water heaters and boilers began full-scale operations in summer 2024. Backed by Rinnai’s strong brand power in China, we intend to continue to increasing sales volume.



Second phase of construction at the Shanghai Plant

Message from the President

Revolution of Corporate Structure – Human Capital Strategy – Developing Human Resources to Drive the Next Generation of Corporate Growth

Rinnai is strategically investing in its employees to advance the strategic stories in its medium-term business plan and achieve corporate growth. The Company is focusing on developing global and DX human resources, penetrating its brand, and investing in talent. For Rinnai, which has a ratio of overseas sales of over 50%, it is essential to recruit global human resources in appropriate quality and quantity. The number of employees with overseas experience, which has already exceeded the set target, including those in the pipeline is on the rise. In the area of DX human resource development, we have started training 22 people with the aim of developing talent who can plan out new business models. We are also promoting IT literacy training for other employees and are working to raise skill levels across the Company. To penetrate our brand internally, we delivered brand awareness training targeting all employees, achieving a 100% participation rate. I expect all employees to embody the Rinnai brand through their work. In terms of investing in human

resources to promote the growth of employees, we have started a core talent development project to identify and develop leaders who will take on executive roles in the future. We are also encouraging employees to take the initiative in their own learning and broadening the educational opportunities we offer as a company. Furthermore, to promote diversity in our talent, we are increasing the ratio of female employees at the time of new graduate recruitment while promoting the development of female leaders and managers. We will improve the ratio of female managers through education, programs, and a transformation of internal awareness. In addition, we have been increasing the amounts of base pay and regular pay raises, and we plan to continue to raise compensation levels in line with the growth of the Company. We will use these holistic initiatives to dispel any negative atmosphere in the Company, where employees may feel anxious about Rinnai and their own careers and be inclined to maintain the status quo and thus improve employee engagement.

Revolution of Corporate Structure – Capital Policy – We Will Continue to Make Proactive and Efficient Investments, Further Strengthening Our Earning Power

Return on equity (ROE) was added as a management indicator in the new capital policy announced on May 10, 2023, reflecting the importance of improving the transparency of capital policy and capital efficiency. We aim to achieve an ROE of 8% in the final year of the medium-term business plan, and then to exceed 10% in the next medium-term business plan (fiscal 2027 to fiscal 2031).

To this end, we are working to further strengthen our earning power and improve capital efficiency through flexible share buybacks. Augmenting the ¥37.4 billion in share buybacks and cancellations to be carried out between fiscal 2023 and 2025, we announced in May 2024 that we would repurchase and cancel up to ¥10 billion worth of our own shares going forward.

Furthermore, we have set return on invested capital (ROIC) as a key performance indicator from this

medium-term business plan. We are promoting efficient and proactive investment, but due partly to the impact of an increase in inventories resulting from disruption in the supply-demand balance, the result for fiscal 2024 was 10.5%, falling below plan. However, I am confident that this is a short-term situation, and I expect a quick recovery through measures such as building a highly accurate supply-demand management system to maintain inventories at an appropriate level, which had been raised intentionally to maintain a stable supply system. In such uncertain times, I believe it is prudent to have a certain amount of cash on hand to ensure stable business management, but we will continue to make proactive investments to promote the high-value-added product strategy that is supported by society set out in our medium-term business plan, and further strengthen our earning power.

We have continued to make growth investments with an eye to improving our corporate value over the medium to long term. These include investments to expand local production capacity in the key strategic markets of the United States and China as well as investments to address carbon neutrality and DX. The total amount of investment during the period of this medium-term business plan reached ¥87.5 billion as of fiscal 2024. In line with the profit growth resulting from these initiatives, our policy of expanding dividends from a medium- to long-term perspective remains unchanged. At the time of formulating the medium-term business plan, we established a shareholder return policy that included a total shareholder return of over ¥60 billion through dividends and share buybacks, with an average total payout ratio of over 40% over five years. In line with policy, the annual dividend per share for fiscal 2024 will be ¥180 (before the stock split), an increase of ¥20 from



the previous year. Combined with share buybacks of ¥10 billion, the total payout ratio comes to 78.2%, significantly exceeding the shareholder return policy set when the medium-term business plan was formulated. We will continue to pursue a policy of returning profits to our shareholders while maintaining a balance with investment in future growth.

Governance That Reflects Awareness of the Cost of Capital in Management

Rinnai increased the number of outside directors by two in fiscal 2024 and by one in fiscal 2025, of which two directors are women. Rinnai's sustained growth requires the strengthening of a governance system with diversity, and outside directors are selected to incorporate people who can deliberation on a variety of perspectives, both inside and outside the Company, by making the most of their expertise in marketing, technology development, corporate management, capital policy, and ESG. At the Board of Directors meetings, there are currently very lively discussions aimed at achieving management that is conscious of the cost of capital. In addition, we have recently revised the remuneration system for officers, excluding outside directors. The proportion of remuneration has been changed from 70% basic component and 30% performance-linked to 60% and 40%, respectively. Performance-linked compensation has been modified to also factor in ROE, the degree of improvement in employee engagement, and TSR (total shareholder return) as calculation criteria. Furthermore,

we have established new guidelines for shareholdings. Rinnai's officers will work as one to strengthen governance in order to build a business foundation that achieves sustainable profit growth and create value for stakeholders.

Until now, unlike home appliances, gas appliances have been difficult for consumers to purchase or replace by selecting and comparing product performance on their own. However, as society's values have changed significantly, so have the way we choose the infrastructure and tools that support our lives. As stated in Rinnai's medium-term business plan to "become more consumer-oriented," we will become a company that provides products with high value and appeal to customers and improve our brand power. In turn, I believe that this will boost the pride Rinnai employees have in their Company.

I would like to thank all our stakeholders for their continued guidance and support.

Value Creation Process

The Rinnai Group attempts to conduct corporate management with a focus on ESG indicators to ascertain the environmental impact of various social issues and business activities as well as the opinions and expectations of related stakeholders. We strive to realize sustainable corporate growth and contribute to international initiatives such as the SDGs through the implementation of a value creation process driven by strategic management focused on ESG indicators.

Rinnai Group Value Creation Process

External Environment / Social Issues

Climate change / global warming	Rinnai handles water heaters and heating units that utilize a large proportion of residential energy.
Product usage risks	Company-related product usage risks include fires caused by gas stoves and “heat shock” occurring in the bathroom.
Work style changes cause decrease in quality of lifestyles	Demand for products that reduce time required for household chores due to decrease in quality of lifestyles as a result of a rise in dual income households, declining birthrates and an aging population

Invested Capital (Fiscal 2024)

Human capital	Employees ^{*1} :	10,837 people
	Employed (Rinnai non-consolidated) ^{*1} :	94 people
	Training and development expenses: (Rinnai non-consolidated)	¥161 million
Intellectual capital	Research & Development Headquarters staff: (Rinnai non-consolidated) ^{*1}	480 people
	Production Engineering Headquarters staff: (Rinnai non-consolidated) ^{*1}	171 people
	R&D expenses (Rinnai non-consolidated):	¥8,773 million
	ISO 9001 certification acquisition: (number of companies) ^{*1}	18 companies
	ISO 14001 certification acquisition: (number of companies) ^{*1}	15 companies
Financial capital	ROE	7.1%
	ROIC	10.5%
	Equity ratio	67.2%
Manufactured capital	Rinnai Group production bases: (number of companies) ^{*1}	23 companies
	Production group staff (Rinnai non-consolidated) ^{*1} :	1,524 people
	Capital expenditure (Rinnai non-consolidated):	¥29,678 million
Natural capital	Input energy:	1,076,328 GJ
	Water used: Ground water:	182,125 m³
	Public water:	634,484 m³
Social and relationship capital	Rinnai brand, external evaluations, stakeholder engagement, Rinnai Group Code of Ethics	

^{*1} As of March 31, 2024

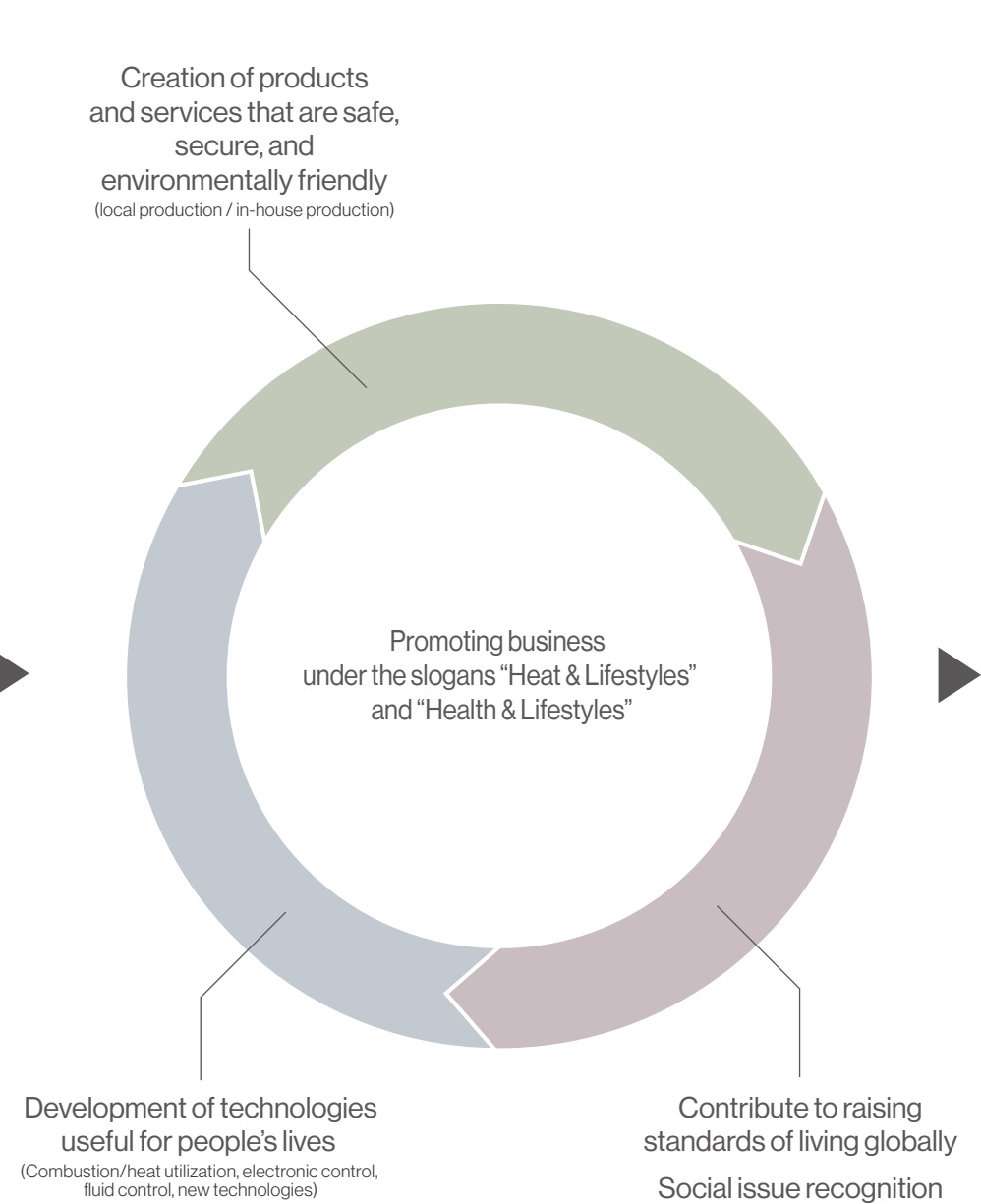
Risks

[Domestic] Expansion of thermal energy systems centered on electric power
[Domestic] Price reduction of gas appliances due to customer requests
[Domestic] Declining birthrates, an aging population, and a decreasing number of households
Decreasing working hours and intensifying competition for securing human resources

Opportunities

Growing demand for energy-saving products by strengthening environmental policies
Increasing needs for safety and accident prevention as social issues
[Overseas] Expand use of natural gas and hydrogen
[Overseas] Improving living standards
Progress in evaluation of corporate ESG initiatives

Business Activities



Value Provided

<p>Environmental contribution</p> <p>Providing lifestyles that reduce consumption of everyday lifestyle energy usage and impact on the environment</p>	<p>Safety and peace of mind</p> <p>Supporting lifestyles that enable the prevention and avoidance of various potential risks in the home</p>	<p>Quality of life</p> <p>Proposing lifestyles that reduce the burden and time required to perform household chores</p>
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Fiscal 2024 Achievements

Consolidated net sales	¥430,186 million
Operating income	¥39,362 million
Operating income ratio	9.2%
Net income attributable to owners of the parent company	¥26,667 million
Net assets (equity ratio)	¥437,438 million (67.2%)
Dividend per share (annual) ¥60	[*] On April 1, 2023, we conducted a three-for-one stock split of our common stock.
Products contributing to improved quality of life	Sales Approx. ¥136,000 million
Products that benefit the global environment	Sales Approx. ¥178,000 million
Amount contributed to reducing CO ₂ emissions ([*] Consolidated basis)	5.48 million tons
Announcements of product recalls due to defects:	0 case

Core Competence (Intellectual Capital) Supporting Rinnai Growth

R&D Policy

The Rinnai Development Division is engaged in the research and development of products, services, and technologies centered on housing equipment closely linked to people's lives, with the aim of providing people to lead richer, more enjoyable lives while also ensuring a sustainable global environment.

Specifically, to make bathroom, living room, and kitchen spaces more comfortable, we will develop products based on the combustion, heat transfer, fluid control, IoT, and electronic control technologies cultivated up to now, while further incorporating sensing, network, AI, and other advanced technologies to create new value.

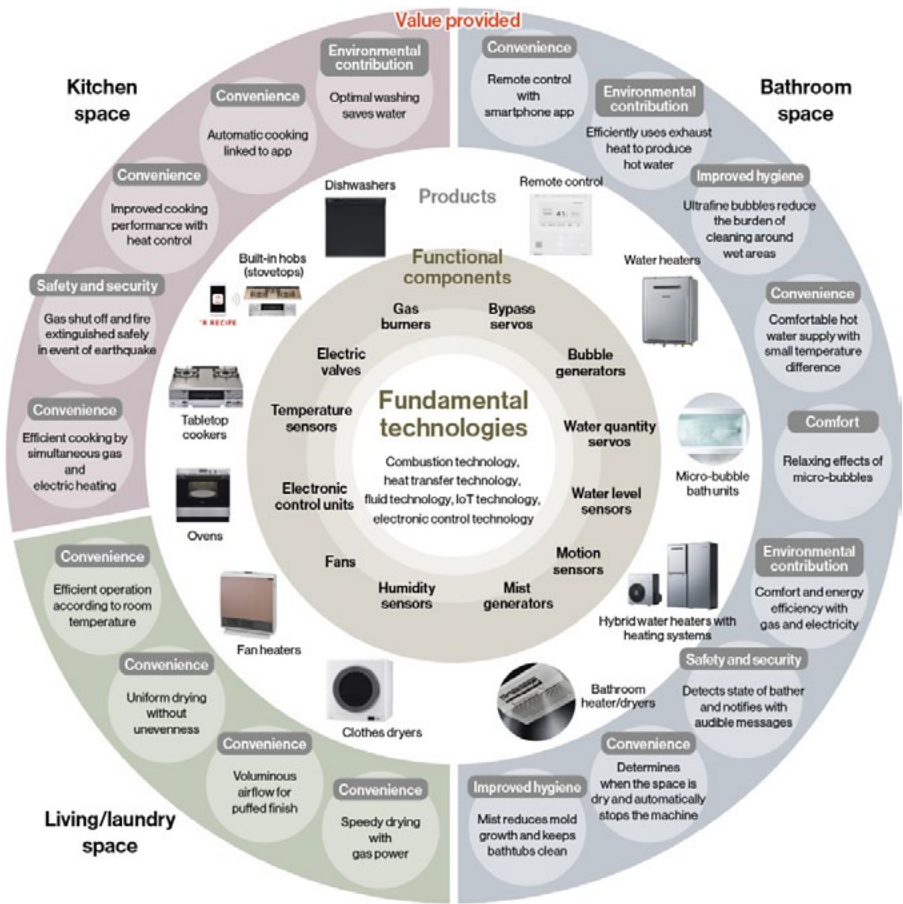
To achieve carbon neutrality, which has become a social issue, in addition to the development of *ECO ONE* hybrid water heater systems and other environmentally friendly equipment providing high energy efficiency, we will promote the research and development of hydrogen combustion and electrification-compatible equipment.

For the ever-growing overseas market, we will promote the development of products and technologies that support local lifestyles in line with the policies of each country by developing global human resources and strengthening cooperation with overseas subsidiaries.

R&D Scope

With foundational technologies comprising combustion, heat transfer, fluid control, IoT, and electronic control technologies, Rinnai develops gas burners, electric valves, and other functional components and products that realize water heaters facilitating highly efficient hot water supplies and kitchen appliances with automatic cooking functions in an effort to create value that leads to improving customer quality of life and environmental contributions.

Having defined the scope of Development Division activities as the "Rinnai Innovation Circle" leading from foundational technologies to value provision, our mission is to further expand the framework (RIM) of this scope through innovation.



Rinnai Innovation Circle

Intellectual Capital Key Data

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of patent applications	217	203	223	190	200	195
Number of registered patents	101	170	178	229	179	173
Number of patents held	2,328	2,300	2,358	2,406	2,350	2,289
R&D expenses (Millions of yen)	9,503	9,308	11,802	12,762	13,458	14,302

Production Engineering Policy

The Rinnai Production Engineering Division pursues "healthy and comfortable lifestyles for people" and "a stable profit structure" through the development of manufacturing technologies.

For many years, we have engaged in the research and development of technologies, methods, and mechanisms implemented at our manufacturing sites that facilitate the delivery of Rinnai Group products and services to customers in a timely manner at reasonable prices. To responsibly ensure Rinnai's fundamental concept of "quality is our destiny," we are enhancing core technologies while conducting the in-house production of molds, equipment, and information systems, as well as pursuing collaborative creations with business partners.

In recent years, amid the accelerating transition toward digitalization, globalization, and a decarbonized society, we are expanding our challenge domain to larger themes. Rinnai must transform processing methods for single parts into the assembly and development of products themselves, while transitioning from stand-alone facilities to large-scale automation systems encompassing factories, including those located overseas, as well as global supply chains. To this end, we are strengthening technological fields such as IoT, AI, robotics, and simulations, while engaging in daily efforts to create systems and develop human resources with the aim of dynamically reforming cross-functional business processes and mechanisms.

To maintain our promise of "creating a healthier way of living" for customers throughout the world, Rinnai will continue developing technologies to deliver quality products that support healthier, more comfortable, and higher quality lifestyles in a timely and reasonable manner, while growing as a professional Group that continuously takes on challenges with high aspirations.

Core Production Technologies

The Production Engineering Division strives to improve quality based on Rinnai's fundamental concept of "quality is our destiny." Defining production design, material technologies, processing technologies, inspection and analysis technologies, molding and casting technologies, automation technologies, production system technologies and digital technologies as our "core production technologies," we are working to improve and implement these core technologies at all manufacturing sites.

Production Design <ul style="list-style-type: none"> Heat exchanger design Analysis technologies 	Material Technologies <ul style="list-style-type: none"> Metal and resin materials Ceramic coatings Enameling 	Processing Technologies <ul style="list-style-type: none"> Welding and brazing Pipe processing Innovative processes 	Inspection and Analysis Technologies <ul style="list-style-type: none"> Innovation inspections Image inspections Inspection-free
Mold and casting technologies <ul style="list-style-type: none"> Mold technologies Press technologies 	Automation Technologies <ul style="list-style-type: none"> Factory automation development Robot system development 	Production System Technologies <ul style="list-style-type: none"> Production system design Assembly process design 	Digital Technologies <ul style="list-style-type: none"> IoT (equipment, people, things) AI, data science

For details regarding Rinnai technologies, please visit the "Technologies" section of our corporate website.
<https://www.rinnai.co.jp/en/technology/>

Progress Report on Medium-term Business Plan New ERA 2025


New ERA 2025

New Expansion,
Revolution and Advancement

Medium-Term Business Plan Three Strategic Stories


Under the Medium-Term Business Plan New ERA 2025 that began in fiscal 2022, we have formulated three strategic stories centered on "Advancement in addressing social challenges," "Expansion of business scale," and "Revolution of corporate structure." Three years have now passed in the five-year plan.

Advancement in addressing social challenges




- Improve quality of life
- Help resolve global environmental problems

Expansion of business scale



- Expand regional domains
- Expand business domains

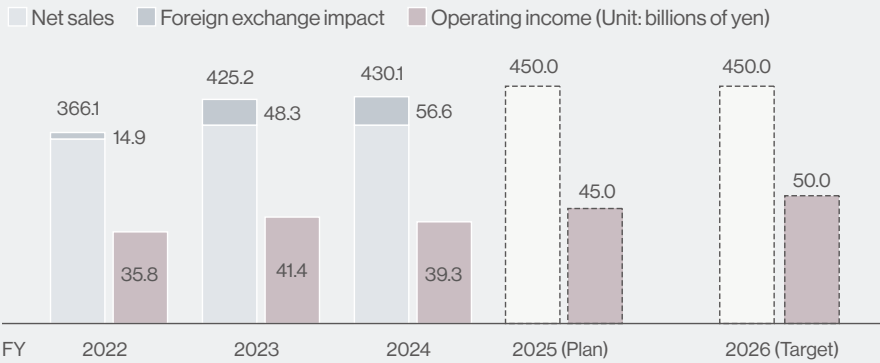
Revolution of corporate structure



- Become more consumer-oriented
- Make focused investments in intangible assets
- Enhance profitability

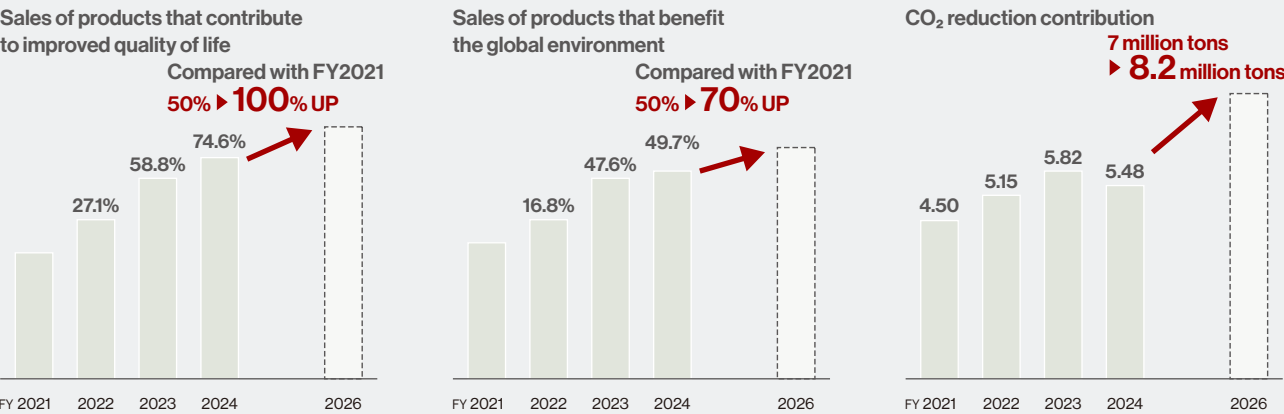
Progress in Net Sales and Operating Income

The targets for the final year of the plan, fiscal 2026, are set at ¥450 billion for net sales and at ¥50 billion for operating income. Although sales are steadily increasing, the outlook is difficult to forecast as our results include the favorable impact of foreign exchange conversion, so we have left the final year targets unchanged.



Upward Revision of Targets in Strategic Stories

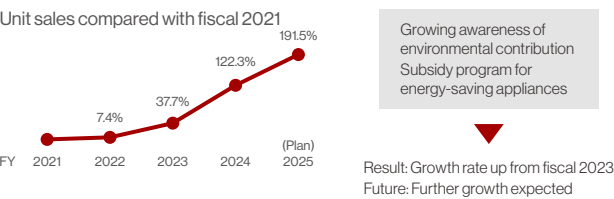
Progress toward the targets set in the medium-term business plan for products that contribute to improved quality of life, products that benefit the global environment, and reducing CO₂ emissions is exceeding our expectations. The targets were therefore revised up when financial results for fiscal 2024 were announced.



Three Strategic Stories: Advancement in Addressing Social Issues

We are promoting the sales of a family of products defined as contributing to improved quality of life and benefiting the global environment. Rinnai's strategic products support people's lives and contribute to the environment, while also driving business growth.

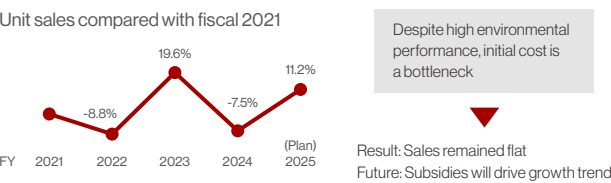
ECO ONE hybrid water heater




2024 business for energy-saving water heaters

ECO ONE: ¥150,000/unit for all models			
	Detached houses		Housing complexes
	General housing	Narrow houses	
New houses	Apr. 2024 model change 160-liter model	Launched Jun. 2022 X5 (70-liter model)	Launched Sept. 2023
Existing houses	Launched Sept. 2023 X5 Plug-in (No dedicated power supply wiring required for heat pump)		X5 PS (for balcony installation)

Eco Jozu high efficiency water heaters

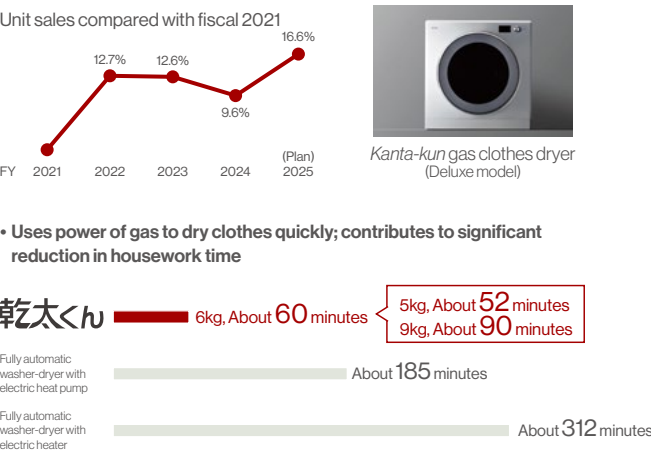


2024 business for energy-saving water heaters used in rental housing complexes

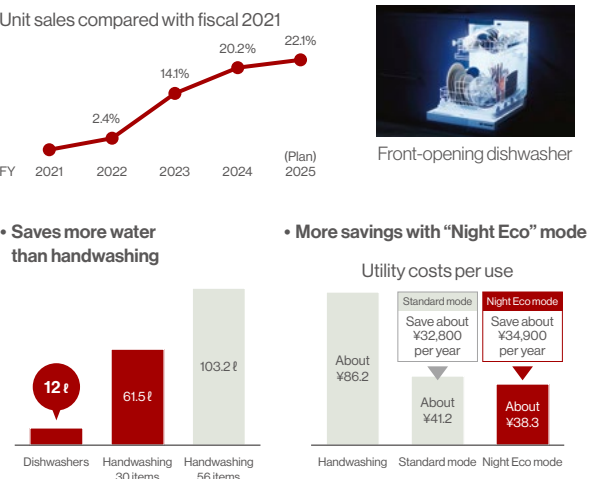
¥50,000/unit	¥70,000/unit	
No bathwater reheating	Bathwater reheating	
Hot water supply only	Bathwater heater	Gas water heater with heating system
		

* Only eligible for replacement in rental housing complexes

Kanta-kun gas clothes dryer



Dishwasher



Three Strategic Stories: Expansion of Business Scale

United States In the United States, in addition to high-efficiency gas water heaters, new electrical products are also being actively introduced.

Targeting a business turnaround by introducing both gas and electrical products

■ Gas products

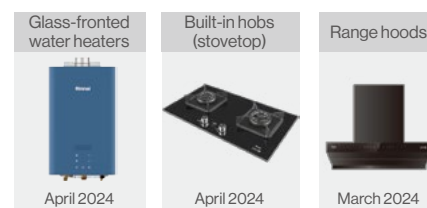
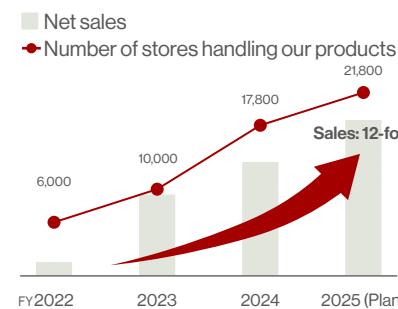
■ Electrical products



In addition to Rinnai America and Rinnai Brazil, which have been the mainstays of the Americas business for some time, in recent years we have acquired a heat appliance manufacturer in Central America, which has provided a foothold for expanding our sales area.



China Sales at online bricks-and-mortar stores are increasing, and business in China is also performing well. In 2024, we will focus not only on gas water heaters but also on kitchen products. In line with the growth in sales, we expanded our Fengxian Factory in Shanghai, which began full-scale operations this summer.



Fiscal 2025 new products for China



Expansion of Fengxian Factory



Three Strategic Stories: Revolution of Corporate Structure

Approach to Improving Capital Efficiency

Recognition of current status

- The cost of equity is estimated to be between 6.5% and 7.5%
- The ROIC target has been set at 19% for fiscal 2026, but for fiscal 2024, it is hovering at just over 10%.
Rinnai will fall short of its plan target in the short term, owing to an increase in inventory caused by a disruption in the supply-demand balance and the implementation of growth investments.
- ROE is 7.1% in fiscal 2024, but the next medium-term business plan (scheduled to cover fiscal 2027 to fiscal 2031) will aim for over 10%.

As a policy

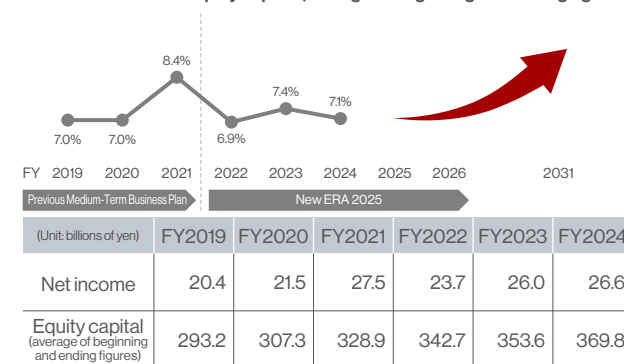
- Aim to achieve the medium-term business plan
Fiscal 2026 targets: Consolidated sales of ¥450 billion, operating income of ¥50 billion, ROIC of 19.0%, ROE of 8%
Total return ratio (5-year average) 40%, dividend payout ratio 40%
- Based on the capital allocation set out in the medium-term business plan, we will
(1) implement growth investments and (2) enhance shareholder returns

Specific measures to improve ROE

- Further improvement in earning power through business recovery and growth investment (measures to promote electrification, expansion of the value chain)
- Flexible share buybacks combined with an increase in the dividend payout ratio on a long-term growth path

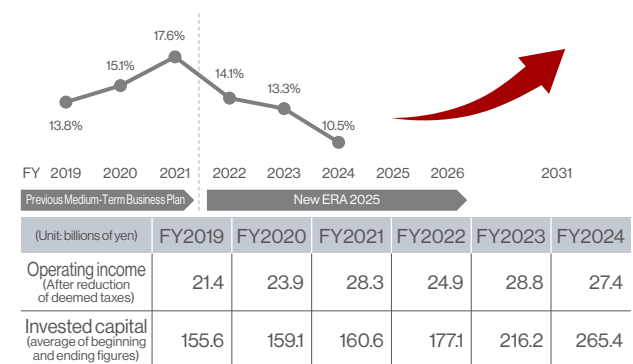
ROE

ROE = Net income ÷ Equity capital (average of beginning and ending figures)

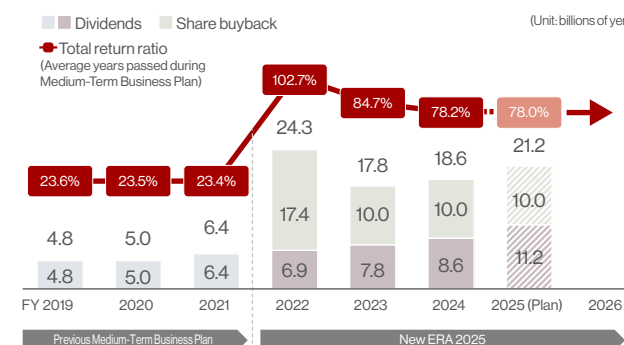


ROIC

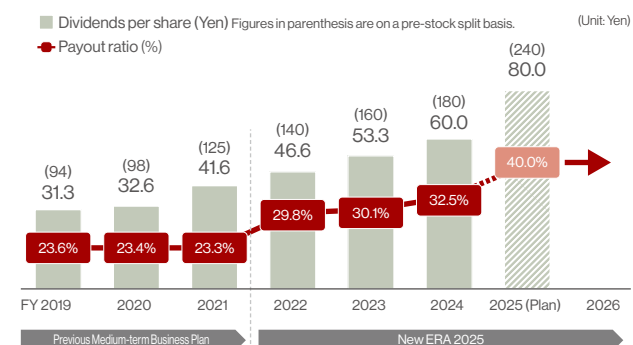
*1 NOPLAT=Operating income × (1-Effective tax rate)
*2 Invested capital=Accounts receivable + Inventories + Fixed assets - Accounts payable
Fixed assets include property, plant and equipment, and intangible fixed assets only



Total Return Ratio (Average)



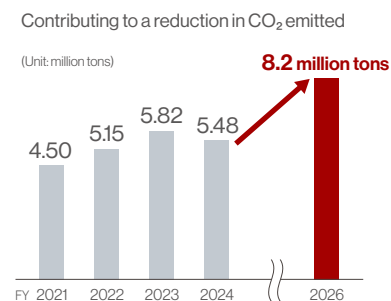
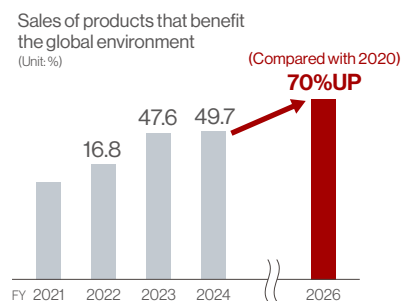
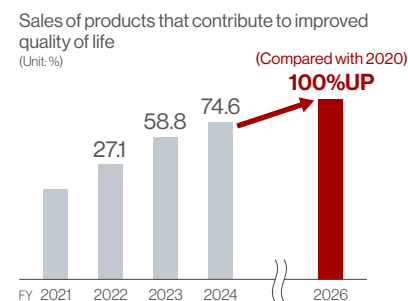
Dividends per Share and Payout Ratio



Rinnai's Approach to the SDGs Linked to its Management Strategy

Under the Rinnai Medium-Term Business Plan New ERA 2025, we aim to contribute to the resolution of social issues by reducing CO₂ emitted during product use by 8.2 million tons and increasing the sales ratio of products that contribute to improved quality of life by 100% in fiscal 2026 (compared to fiscal 2021) and that benefit the global environment by 70% in fiscal 2026 (compared to fiscal 2021). Rinnai will make an effort to achieve the SDGs through products that contribute to improved quality of life and that benefit the global environment.

Targets Set under the Rinnai Medium-Term Business Plan New ERA 2025



As the products Rinnai provides are directly linked to the SDGs, we believe that the ongoing spread and expansion of our products will lead to the resolution of social issues. As an example, replacing water heaters with highly energy-efficient water heaters reduces burdens on the global environment, creating a world in which gas clothes dryers, dishwashers and stoves with an automatic cooking function are widely used, equalizing the role of housework and advancing the movement toward gender equality.



Products Provided by Rinnai and their Connection to the SDGs

Product	Theme	Contribution	Goal
Hybrid water heaters	Energy-efficiency	Higher energy-efficient water heaters contribute to the global environment	7 Affordable and Clean Energy, 13 Climate Action
	Resilience	Gas-electric hybrids contribute to the securing of lifelines during emergencies	11 Sustainable Cities and Communities
Fine bubble products	Health promotion and relaxing bathing	Products that embody a "healthier way of living"	3 Good Health, 6 Clean Water and Sanitation
	Cleansing effect	The bubble cleansing effect reduces the amount of water used for cleaning.	6 Clean Water and Sanitation
Gas clothes dryers	Reduces time required for housework	Powerful gas drying shortens time spent doing laundry, contributes to reducing housework burdens	5 Gender Equality
Dishwashers	Reduced water usage	Conserves water when washing dishes, contributes to the conservation of water resources	6 Clean Water and Sanitation
	Reduces time required for housework	Automated dishwashing contributes to reducing housework burdens	5 Gender Equality
Stoves with automatic cooking functions	Reduces time required for housework	Automated cooking contributes to reducing housework burdens	5 Gender Equality
Bathroom heaters/dryers	Prevents heat shock	Bathroom heating eliminates temperature differences when bathing, contributes to the prevention of heat shock	3 Good Health
Gas tankless water heaters	Energy-efficiency	Enhancing the energy efficiency of water heaters contributes to the global environment	7 Affordable and Clean Energy, 13 Climate Action
Gas boilers	Air pollution countermeasures	Switching fuel from coal to gas in water heaters with heating systems contributes to the control of air pollution	3 Good Health, 11 Sustainable Cities and Communities

Representative Examples of SDG Initiatives

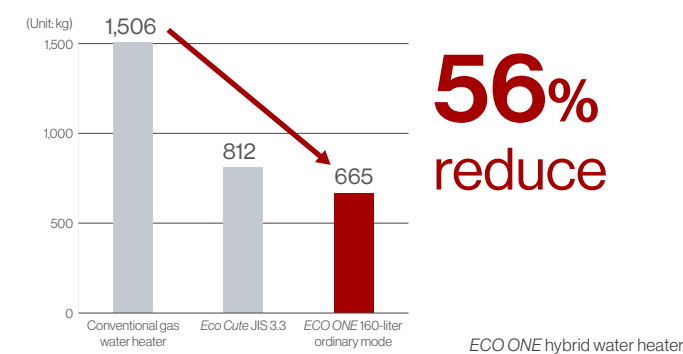
Contributing to the global environment by improving the energy efficiency of water heaters Hybrid water heater



The proportion of energy consumption in Japanese households for hot water supply and heating combined is about 60%. Also, viewed from the product life cycle of water heaters, the most CO₂ is emitted during the usage stage.

Among systems that play the role of hot water supply and heating, Rinnai's hybrid water heater combines gas and electricity to adeptly provide hot water and heating. This helps to cut CO₂ emissions to half that of conventional water heaters and contributes to the conservation of the global environment.

CO₂ emissions during hot water supply (1 year)



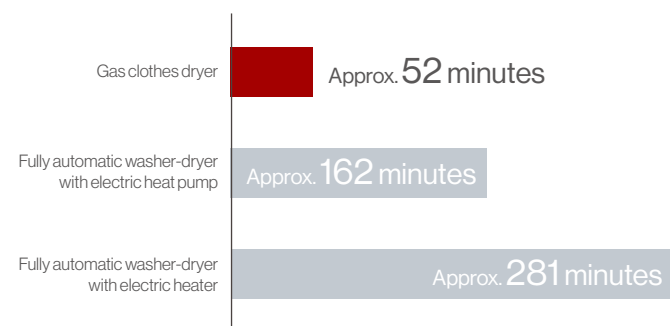
Contributing to Reductions in Housework Burdens with Powerful Gas Drying That Shortens Time Spent Doing Laundry Gas clothes dryer



Gas clothes dryers use gas-heated air to dry clothing straightaway. This shortens the time spent doing laundry and makes bath towels soft and fluffy. It also provides the same level of sterilization as line drying in the sun. Powerful gas drying shortens the time required to perform daily housework, facilitating more relaxed lifestyles. Rinnai aims to achieve gender equality both in terms of housework burdens and lifestyle freedom.

Powerful gas clothes dryers can dry an ample five kilograms of laundry in approximately 52 minutes. Drying laundry in about one-third the time required with electric dryers significantly reduces time spent on housework.

Drying time comparison (5kg laundry)



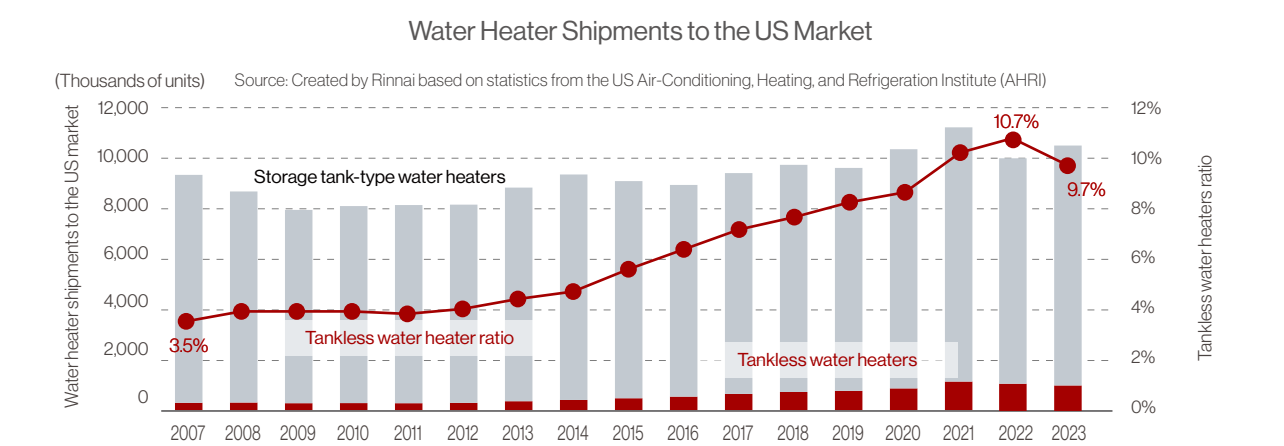
Kanta-kun gas clothes dryer

Overseas Company Introduction: United States


Rinnai America is one of the companies that accounts for a large proportion of sales within the Rinnai Group’s overseas business. This section introduces current conditions and the merits of Rinnai America, a company poised for further growth that seeks to expand its share in a market with high potential.

US Water Heater Market

Of the approximately 10 million units shipped annually in the US water heater market, more than 90% are storage tank-type water heaters with low thermal efficiency, but a gradual shift to tankless water heaters with high thermal efficiency is taking place. Tankless water heaters were first introduced around 2000, and although their use has steadily expanded, they only account for just over 10% of the market, and considering examples from other countries such as Australia, there is potential for them to increase to the 30% level. Recent restrictions on the use of gas appliances, a focus on heat pump water heaters, and other factors have caused the market to slow, but awareness of tankless water heaters is increasing, and they are also becoming more efficient, so we can say a solid foundation is being built.




Features of Each Water Heater



Storage tank-type water heater

Storage tank-type water heaters store water in a large tank made of metal or other material, and slowly heat it using electricity or gas before dispensing hot water. Given its simple structure, the merits of a storage tank-type system include relatively low initial costs and easy installation and setup. That being said, water in the storage tank cannot be instantly converted to hot water, so there is the inconvenient possibility that cold water will be dispensed if hot water stored in the tank runs out. Furthermore, as time is required to heat water in the tank, it must be preheated. Depending on the timing of water usage, there is the added drawback that energy might be wasted in maintaining temperature to ensure water in the tank does not cool down.



Tankless water heater

Tankless water heaters, also known as “instantaneous water heaters,” are designed to instantly heat water on demand, providing boiling water anytime it is needed.

For these reasons, tankless water heaters are highly efficient and more environmentally friendly in terms of energy consumption and CO₂ emissions compared to storage tank systems. Additionally, tankless systems can instantly dispense hot water, so there is no need to boil in advance, and hot water can be dispensed continuously. However, due to its complex structure, which includes a heat exchanger that converts cold water into hot water as it flows through the unit, the initial purchase cost is higher than storage tank-type systems.

Rinnai America Sales Strategy

As tankless water heaters utilize gas as fuel, gas lines must be installed along with the equipment. Even in the United States, where DIY is widespread, tankless water heaters are typically installed by contractors. Storage tank-type water heaters, which are simple to install, are mainly sold at home improvement centers and other stores, but tankless water heaters are handled by installers. We believe the key to widespread adoption of tankless water heaters lies in building strong relationships with installers, and hold a wide range of Rinnai Experience events so installers can experience the Rinnai brand and water heaters. As we also believe it is important to increase user awareness, we have proactively promoted tankless water heaters for some time, including the Try Rinnai Tour, a mobile exhibition that traverses the United States in a truck loaded with tankless water heaters.



Rinnai brand experience at Rinnai Experience



Truck loaded with tankless water heaters on the Try Rinnai Tour

Rinnai America Production System

Rinnai’s overseas expansion begins by initially manufacturing products in Japan, where our main factories are located, then exporting them overseas. After that, we expand our sales area through alliances with local sales partners, and when the scale of business expands, we establish a local production base and aim for higher unit sales. We will successfully establish business in various countries through the efficient local provision of the highest quality products in that country and by contributing to local lifestyles.

As the proportion of tankless water heaters in the US water heater market continues to steadily expand, Rinnai America is shifting away from importing products made in Japan to the establishment of local production facilities. The company now has its own production factory in Griffin, Georgia, which has increased the ratio of locally produced water heaters. Increasing production also leads to the creation of local jobs, and together with the lifestyle support our products provide, Rinnai is playing a part in revitalizing the local community.



Griffin Factory, engaged in the local production of tankless water heaters



Expanding Rinnai “manufacturing” through local employment

Overseas Company Introduction: United States Message from President of Rinnai America

Promoting the Appeal of Tankless Water Heaters while Supporting Next-generation Energy, and Expanding Business Scale through Proactive Investments

Frank Windsor
President of Rinnai America



Year in Review and Enhancement Points

In 2023, annual sales of tankless water heaters fell nearly 6% year on year, which combined with supply chain issues caused by the pandemic, made it an extremely difficult year. The importance of condensing tankless water heaters is increasing in the tankless water heater market, and we launched the new *Sensei RX* condensing water heater at the beginning of 2024. To strengthen weaknesses in our product lineup, we will also launch new electric heat pumps, condensing boilers, and commercial boilers.

Surrounding Energy Industry and Countermeasures

The gas appliance industry has succeeded in securing the continued sale of fossil fuel and non-condensing water heaters, ensuring they remain an option for consumers. Rinnai America will continue to emphasize that our gas tankless water heaters are the most efficient on the market, and we will also continue to lobby for the ongoing necessity of these products for consumers. The gas water heater business will continue to be a supporting pillar of Rinnai America's strategy. The new *Sensei RX* water heater has a number of features that make the work of installers easier, such as the standardization of NG/LPG gas models with automatic gas volume adjustment functions, connectivity with other devices, ease of outdoor installation, ease of maintenance, and model settings. These features have been well received both by installers, as well as distributors and end users.

At the same time, in North America, the shift from fossil fuels to alternative fuels is ongoing. Examples of alternative fuels include electricity, hydrogen, renewable propane, and renewable dimethyl ether (rDME). Relevant ministries and organizations in each industry are stepping up efforts to respond to next generation energy structure changes.

In terms of electrification, we commenced sales of electric heat pump water heaters in spring 2024. In parallel with this, we are working on the development of next-generation products through a global joint development program in collaboration with Rinnai team members in New Zealand, Australia, the United States, and Japan. Regarding hydrogen, Rinnai will utilize its 100% hydrogen-burning technology to conduct demonstration experiments in California and other locations where hydrogen operations and developments are progressing. We are also working with Rinnai UK, which has a partnership with the British company Dimeta, to explore the potential of rDME.

Support for all types of energy will enhance the product portfolio of Rinnai America and the entire Rinnai Group, laying the foundation for the next generation and enabling us to exceed customer expectations.

Sales Strategy and Production Activities

Installation contractors are one of the most influential aspects of the consumer decision-making process, making them very important from a marketing perspective. One of the key priorities in our sales strategy is to build strong relationships with the industry through various initiatives such as the "Rinnai Experience" and "Try Rinnai Tour."

Within production activities, continuous improvement (*kaizen*) is an essential element of our daily work. By focusing on small changes every day, we continuously improve indicators in all areas. Furthermore, based on Rinnai's fundamental concept "Quality is our destiny," we are never satisfied with the status quo and are committed to the ongoing pursuit of excellence.

Human Resource Investments and Capital Expenditures

At Rinnai America, human resource development and investment have been at the heart of our strategy for several years. One of our core strategic priorities is "Talent Magnet." Rinnai America is dedicated to developing motivated personnel and creating a team that can deliver high performance. Employees are Rinnai's greatest asset, and we are working to create an internal environment that can attract, develop, and retain talented people.

Production at our Griffin Plant in Georgia is proceeding on track, and when developing this facility, we took future growth into consideration, so there is room for expansion. We plan to continue enhancing production capacity, including the development of condensing water heaters and other product technologies, and will make the requisite investments to achieve these aims.

Future Outlook

Rinnai America plans to achieve sales of \$500 million in 2025. We will continue to expand our product portfolio and implement proactive sales and marketing programs to boost sales and reach the target of \$700 million in 2028. In this way, we will embody Rinnai's value in the market based on the fundamental concept "Quality is our destiny." As an organization that puts the customer first, we will also steadfastly fulfill our brand promise of "Creating a healthier way of living."



Condensing tankless water heater *Sensei RX*

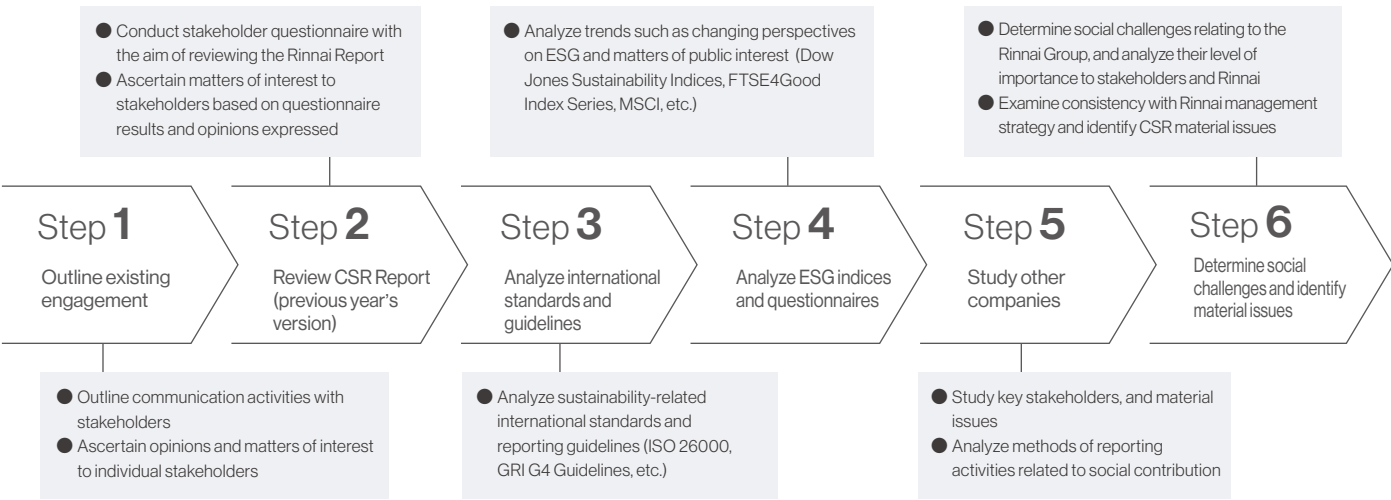


Electric heat pump water heater

Identifying Material Issues

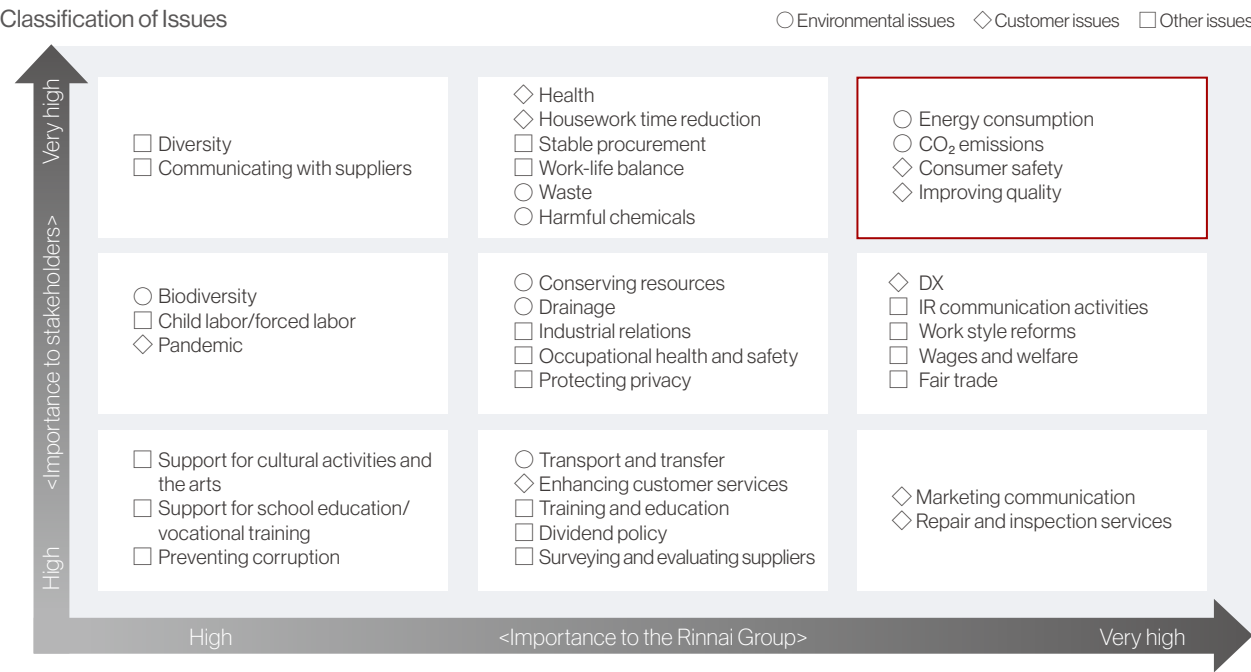
We make every effort to identify social challenges affecting the Rinnai Group through day-to-day communication activities with stakeholders coupled with study and analysis of applicable guidelines and ESG indices. We also identify CSR material issues through the Rinnai Group value creation process in relation to our management strategies, revolving primarily around our Corporate Planning Division.

Identification Process



Determining and Identifying Material Issues

We have determined social challenges relating to the Rinnai Group, analyzed their level of importance to stakeholders and the Group, and identified CSR material issues.



Materiality Summary

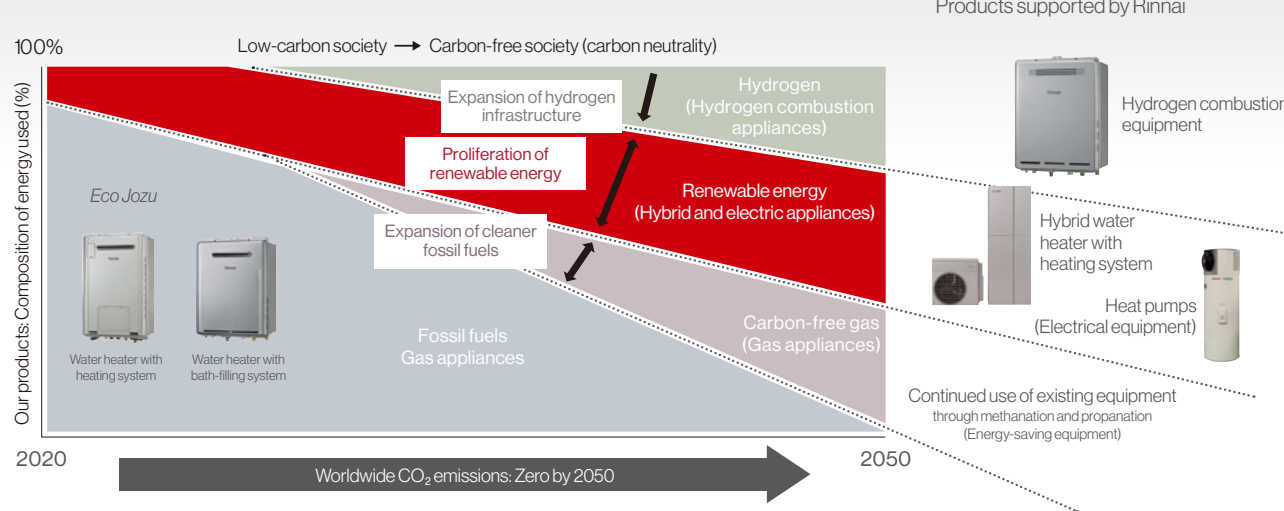
Material Issues	Main Activities and Initiatives	Key Performance Indicators (KPIs) and Issues	Themes covered	Reference page	Related goals
Energy consumption/CO ₂ emissions	Achieving carbon neutrality in business activities and product development	Amount of CO ₂ reduction contribution Fiscal 2026: 8.2 million tons	Environment	31–38	
Consumer safety/Improving quality	Improving quality of products and workflow from the safety of customer use through to production	Number of defects leading to a recall announcement: 0	Safe and reliable	39–40	
Health/Housework time reduction	Supporting the health of customers and improving the quality of their lives	Sales of products that contribute to improved quality of life: 200% of fiscal 2021 sales	Improving the quality of life	41–42	
Work-life balance/Work style reforms	Supporting employee job satisfaction and ease of work Improving employee performance	Employee engagement Positive responses: Up 15 points in fiscal 2026 (compared to fiscal 2021)	Human capital	43–44	
DX	Utilizing network tools to connect devices and support streamlining of work in all areas of business activities	DX professionals: 10, DX technicians: 50 (fiscal 2026)	DX	45–46	
Stable procurement	Continuous and stable supply of products as lifestyle essentials to the market	Increase in on-time delivery rate	Suppliers	47–48	
IR communication activities	Building favorable relationships with shareholders and investors Providing useful information to stakeholders	Increase in the number of IR interviews handled	Shareholders and investors	49–50	

Materiality [Environment] | Materiality Special Feature (1)-1

RIM 2050 Carbon Neutrality Declaration

In 2021, we announced the Rinnai Group's Carbon Neutrality Declaration (RIM 2050). We currently continue to promote the highly efficient *Eco Jozu* water heater in Japan to move towards a "low-carbon society." Rinnai will also respond to the trend of decarbonization gas (methanation, propanation) in the fuel industry with its conventional products. At the same time, we are working to systematize hybrid water heaters, which are finding growing adoption to achieve net zero CO₂ emissions. Furthermore, we are endeavoring to establish technology for combustion equipment that is compatible with hydrogen infrastructure, and thus have built a structure for responding to a variety of external environments.

Rinnai's Roadmap through to 2050



Life cycle of Rinnai products

In the life cycle of Rinnai products, approximately 95% of CO₂ is emitted during product use. Given their large environmental impact, Rinnai recognizes that it must develop products to achieve carbon neutrality.



CO₂ Emission Targets and Progress

No CO₂ emissions targets for overseas operations were proposed at the time of the announcement of RIM 2050 in 2021 since CO₂ emissions were projected to increase in line with the expansion of overseas business operations. However, a new indicator called "CO₂ reduction contribution" has been established to promote the spread of energy-saving products overseas, so the alignment between corporate growth and achieving carbon neutrality is being sought (overseas-related only).

Business activities					Product use				
	2020	2022	2030	2050		2020	2022	2030	2050
Non-consolidated	2.2	100%	50%	0%		1,680	87%	67%	0%
Domestic-related	2.8	96%	50%	0%					
Overseas-related	5.4	106%	50%	0%		2,820	2,986	—	0%
					Additional indicator	350	450	1,080	—
					CO ₂ reduction contribution				

The figures for 2020 (base year) indicate CO₂ emissions (unit: 10,000 tCO₂)
The figures for 2020 to 2050 show the ratio of CO₂ emissions in the relevant year to the base year as a percentage (unit: %).

Materiality Special Feature (1)-2

We spoke with the General Manager of Research & Development Headquarters about Rinnai's product development in the field of environmental technology.

VOICE

Rinnai's product development vision and system

Confidence in Achievement of the Medium-term Business Plan

The third year of our medium-term business plan New ERA 2025 has now drawn to an end. One product that has seen a significant change in circumstances since its launch is the *ECO ONE* hybrid water heater and heating system. Similarly, the highly efficient *Eco Jozu* water heater is also eligible for government subsidies, and initiatives to curtail CO₂ emissions using this product are in full swing. The Development Division is developing variations of *ECO ONE* that can be installed in not only new buildings but also as upgrades to existing structures and apartment buildings, and I am feeling that the product is becoming well established in the housing market.

Furthermore, turning to our overseas business, we have updated our high-efficiency water heaters in the United States. By establishing a common platform for the types of gas and exhaust variations, we have been able to greatly reduce the burden of holding inventory at logistics and sales locations and the like. This has been very well received by local retailers and other agents resulting in robust sales.

Product Development Vision

The vast majority of Rinnai's develop is focused on forward-looking development and product development for mass production. As such the ratio of fundamental research and applied research has been lower than that of general manufacturing industries. We will gradually strengthen and promote applied research as society as a whole undergoes major transformations to achieve carbon neutrality. Our emphasis will be on fields with a high affinity with our established businesses, and we seek to establish an innovation center to strengthen the development of next-generation products.

In addition to implementing the Company-wide medium-term business plan that runs through 2025, the Development Division is also working to strengthen its applied research fields with a target date of 2030. Looking further out as a long-term plan, the Research & Development Headquarters Vision has been set that envisions product development in 2040, and all of Rinnai is working to align its activities with this vision.



Managing Executive Officer
General Manager of Research & Development Headquarters
Yoshihiko Takasu



Scene from a global development meeting

Product Development System

We will also promote transformation in our development system. To cite one example, in the development of heat pump water heaters for overseas markets, engineers from Rinnai's Oceania businesses, who have a noted track record of development, will be involved in design and testing as part of development advanced via a global system. In Japan, we will expand our testing facilities and also bring together our manufacturing and development divisions to promote the development of hybrid water heaters with the aim of growing sales.

Appeal and Aspirations of Rinnai's Development Division

In tandem with trends towards electrification to achieve carbon neutrality, there are still many regions in the world where gas demand is projected to grow in the future. While endeavoring to develop technology and promote mass production in response to the transition to electrification, we are also working to refine our technologies in the markets that use gas, pursuing high quality and high efficiency. Furthermore, we would like to approach development from all fronts, also encompassing response to alternative energy sources such as hydrogen.

The Rinnai Development Division aims to achieve the Company's social goals of improving the quality of life and helping resolve global environmental problems. And in this rapidly changing society, we want to be an organization that stays one step ahead of the times. I would like to apply the experience gained in my previous role in the Overseas Business Headquarters and work hard every day to develop the abilities to anticipate the future from a global perspective and to turn that vision into reality.

Materiality [Environment] | Materiality Special Feature (1)-3

Rinnai is promoting the sale of the *ECO ONE* hybrid water heater and heating system, which combines electricity and gas to provide excellent environmental performance. We spoke with Mitsubishi Estate Residence Co., Ltd., a partner promoting the introduction of these systems in condominiums and other types of housing.

VOICE

Conversation with Mitsubishi Estate Residence on Promoting *ECO ONE* Introduction

We have recently installed Rinnai's *ECO ONE* hybrid water heater and heating system in all units of Mitsubishi Estate Residence's The Parkhouse Matsudo Honcho.

As part of Mitsubishi Estate Residence's initiatives to achieve carbon neutrality, the company has set a target of reducing CO₂ emissions by 50% by 2030 (compared to 2019). As one facet of this, we aim to make all condominiums we sell from 2025 onwards either ZEH-M Oriented or ZEH Oriented*.

ECO ONE is an excellent hybrid system that combines electricity and gas to achieve high efficiency and save energy, and its introduction has made a significant contribution to the realization of ZEH-M.

* ZEH-M Oriented or ZEH Oriented: A condominium that has reduced its overall primary energy consumption by 20% or more by improving its thermal insulation performance and installing high efficiency equipment systems.



Mitsubishi Estate Residence Co., Ltd.
(From left)
Third Development Department
Manager of Development
First Group
Shin Kohinata
First Sales Chief of
Sales Group
Naoki Hara



Entrance to The Parkhouse
Matsudo Honcho

The trend towards Zero-Energy Homes (ZEH) is ongoing everywhere in the housing industry. A phenomenon that has occurred as a result of this is forcing the choice as to whether to increase electricity or gas usage. Increasing the amount of electricity used in a condominium with ZEH restrictions limits the options for floor heating. Yet with *ECO ONE*, one can live in a ZEH-compliant condominium without having to forgo installation of comfortable housing equipment.

In terms of accessing the advantages of both electricity and gas, a major appeal of *ECO ONE* is its resilience or the ability to recover from a disaster, since even if either energy source is disrupted during a disaster, the lifeline can still be secured and water in the *ECO ONE* tank can be used for daily life.



ECO ONE X5 hybrid water heater for
apartment buildings

Our The Park House condominium series has been established as a refined brand, and *ECO ONE* complements that image. The design of the product goes without saying, but I feel that the brand image that Rinnai is communicating is one of elegance.

In my view, Rinnai's image has changed such that it is now known for its product development capabilities, tenacity, and refined design. As a company with a long history, I think it is commendable that while Rinnai has built a reputation and trust based on its past achievements, it is also innovating and reinventing itself with the times.

I have no doubt that *ECO ONE* is essential housing equipment for our strategy of reducing CO₂ and making homes ZEH-compliant, so I expect we will continue to proactively install it. But that does not mean the system is completely without issues. Since it takes a lot of space to install, room available for living areas is sacrificed, so there is still leeway for improvement. Rinnai is currently rolling out new *ECO ONE* variations, but ideas are needed for how to install them and how to combine them with other products. I would like to continue working with Rinnai to think about this, and I look forward their product development that can respond to market needs.

Materiality Special Feature (1)-4

Rinnai envisions a hydrogen society as one of the possible paths towards achieving carbon neutrality. The Rinnai Innovation Manifesto 2050 (commonly known as RIM 2050) aims to promote the development of hydrogen combustion technology, and thus far the Company has started work on the development of hydrogen water heaters and hydrogen-powered cooking equipment. We spoke to representatives of Toyota Motor Corporation, with which Rinnai announced joint development of hydrogen-powered cooking in 2022, about the current situation and future prospects of the collaboration.

VOICE

A conversation with Toyota Motor, a Rinnai partner for development of hydrogen cooking

Hydrogen has been used for industrial and commercial purposes for some time, but it seems that the era of a hydrogen society is not quite upon us. I think this is because hydrogen is still not something that is familiar to everyone in their daily lives. To overcome this, I think the way forward is to create the environment where more people can use hydrogen.

We have ventured into the development of cooking appliances that apply hydrogen combustion technology with Rinnai, particularly with the aim of creating new value from hydrogen. In 2022, Rinnai and Toyota announced their joint development agreement, and since then the companies have been collaborating on R&D and promotional activities.



Toyota Motor Corporation
Hydrogen Factory Hydrogen Product
Development Department
Masashi Nakamura



A jointly developed hydrogen stone oven

To create and spread the environment for hydrogen use, it is necessary to make the gas commercially viable. The price difference between hydrogen and other forms of energy such as electricity is difficult to close, but we believe that creating value in hydrogen has the potential to narrow this gap. We are collecting qualitative feedback based on the properties of hydrogen, such as how cooking meat with hydrogen makes it lighter and less oily while preventing it from drying out. We are quantifying these observations to conduct analyses, aiming to scientifically and sensorially prove that food cooked with hydrogen is indeed delicious.

Moving forward, we will work to keep the price of hydrogen and the added value it offers within a range that is acceptable to consumers. We are also considering building a hydrogen supply chain within local areas using the hydrogen cartridges that Toyota is developing. Yet even if we develop these hydrogen cartridges, they will be useless if they go unused. As such, I think Rinnai's help is needed in the development of cooking appliances to increase the amount of hydrogen consumed in homes and to improve the added value delivered by hydrogen utilization.

It is impossible for a single company to create a hydrogen society in isolation. I hope that everyone will play their role and build partnerships, such as Toyota creating a hydrogen supply chain and Rinnai creating cooking appliances, and all work together to achieve a hydrogen society.



Portable cooking appliance including a hydrogen griller (top)

Responses to the Task Force on Climate-related Financial Disclosures



With the aim of creating a virtuous circle of the environment and the economy which assumes a sustainable company, Rinnai expressed its support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), a taskforce established by the Financial Stability Board (FSB). We are promoting the disclosure of the financial impact on the Company caused by climate change and our approaches to resolve these issues.

Governance

Rinnai reports on environmental issues to management through the Risk Management Committee, ESG Committee, and Environmental Management Committee. The ESG Committee has an ESG Working Group to handle day-to-day improvement activities. In addition, Rinnai is promoting initiatives related to risks and opportunities associated with climate change and reporting to management through the operation of ISO 14001 with the Environmental Management Committee as the secretariat.



Risk Management

Rinnai's risk management is led by its Risk Management Committee. The committee periodically updates Rinnai's risk profile, including risks associated with climate change, and manages risks by classifying them according to frequency of occurrence and level of impact.

Metrics and Targets

In its approach to climate change risks, Rinnai has prioritized "improving energy efficiency and developing and popularizing environmentally conscious products that achieve this." Rinnai is working to manage climate change risk by setting "energy consumption and CO₂ emissions" as material issues and the "amount contributed to reducing CO₂ emissions by using the product" and "sales target for environmentally friendly products" as its main target indicators.

Strategy

As a company that handles heating equipment, we understand that climate change is an important issue, and we assume that climate change will have an impact on Rinnai's business. We are also considering what actions are necessary to address the changes ahead and what the financial impact could potentially be.

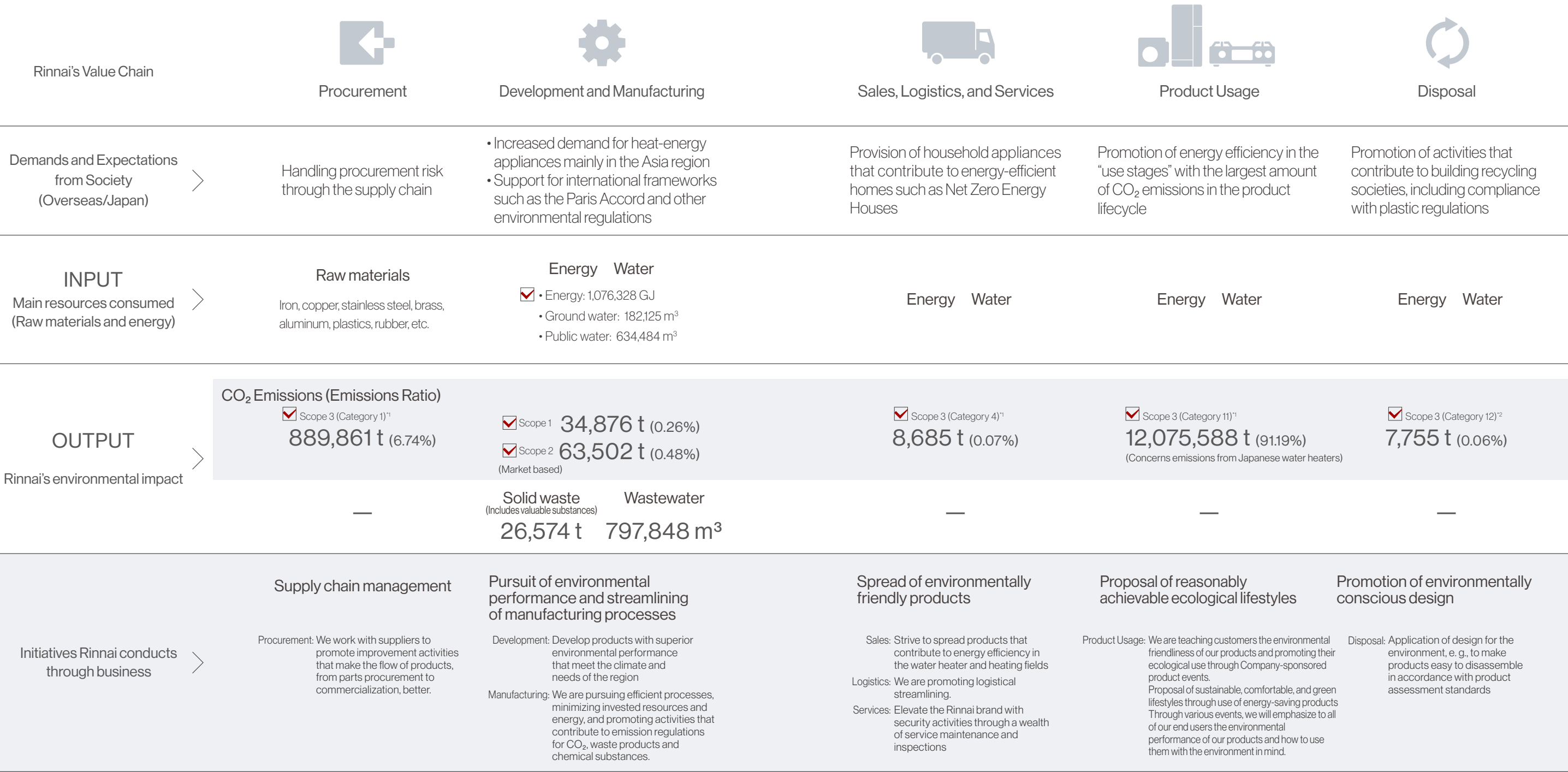
		Impact on Rinnai		Rinnai's response or impact on Rinnai.	Profit Impact (Amount/Duration)	Degree of urgency
		1.5°C scenario* (What Rinnai will do to keep the increase in temperature below 1.5°C)	4°C scenario* (Impact on Rinnai if the temperature rises by 4°C)			
Transition risks	Raw material procurement risks associated with climate change	Risk of procurement cost increases in line with raw material costs that are passed on through carbon pricing (carbon taxes and emissions trading) to suppliers of materials that emit large amounts of greenhouse gases.	—	Convert to recyclable materials	¥(15.4) billion/year	Low
				Reduce procurement costs through independent efforts	¥(1.4) billion/year	Low
	Water heater regulations as a result of water resource depletion	Risk that the sale of water heaters potentially using large amounts of water resources will be restricted as a result of global water shortage problems.	—	Develop water heaters able to restrict the amount of water used.	¥(0.7) billion/5 years	Low
	Gas water heater regulations in line with fossil fuel regulations	Risk of impending necessity of measures for replacing conventional products amid movements toward requiring different methods than in the past for consumers to realize the intended use of water heaters using fossil fuels due to the transition from the conventional concept of a "low-carbon society" focused on energy and resource conservation to the long-term concept goal of a "decarbonized society."	—	Ascertain changing conditions related to energy while developing and establishing technologies focused on essential products.	¥(15.0) billion/year	Medium
Physical risks	Physical risks from natural disasters	—	Risk of supply chain distribution disruptions due to the impact of natural disasters (floods, torrential rains, water shortages and other events).	Enhance response capabilities with business continuity planning (BCP), including decentralized materials procurement sources and production bases.	¥(0.4) billion/year	Medium
	Risk of increased operating costs	—	Risk that air conditioning and cooling equipment operating costs will increase due to a rise in average temperatures.	Promote the introduction of residential power generation through sustainable energy and other measures.	¥(8.6) billion/5 years	Low
Opportunities	Adoption of energy-saving water heaters in line with tightening of environmental regulations (CO ₂)	Current "low-carbon society" initiatives require higher efficiency energy-saving water heaters. Additionally, the advance of technologies such as decarbonized gas for realizing a "decarbonized society" will require more efficient energy-saving water heaters than in the past.	—	Promote the expansion of product lineups and sales of more efficient energy-saving water heaters.	¥8.4 billion/year	Medium
	Adoption of gas boilers in line with tightening of environmental regulations (PM 2.5)	In areas where coal boilers are used, gas boilers that do not generate PM 2.5 will be required.	—	Target areas where environmental regulations have not yet tightened, expanding the adoption of products corresponding to usage environments in those areas.	¥8.4 billion/year	Medium

* 1.5°C and 4°C scenarios
Scenarios used in the Fifth Assessment Report (released in 2014) of the Intergovernmental Panel on Climate Change (IPCC), which estimates the impacts of approximate 1.5°C and 4°C temperature increases due to global warming.

Environmental Impact within Rinnai’s Value Chain

Rinnai promotes environmental impact reduction initiatives through the value chain ^(see Note 1) in consideration of societal demands and impact on the environment.

Note 1: A series of business activities and value creation processes that companies conduct to provide customers value in the form of products and services.



Rinnai's estimates based on the "Basic Guidelines for Calculating Green House Emissions Through the Supply Chain" [Target scope] Rinnai Corporation and consolidated subsidiaries (*1. Rinnai Corporation *2. Rinnai Corporation and domestic consolidated subsidiaries) [Target period] Domestic: Fiscal 2024 (April 1, 2023–March 31, 2024) *2. Fiscal 2023 (April 1, 2022–March 31, 2023) Overseas: January 1, 2023–December 31, 2023 [CO₂ emissions (units)]: t/CO₂e, (%) represents the emissions ratio within each process.

The indicators marked ☒ have received third-party assurance by LRQA Limited.

Materiality [Environment]

Environmental Management

Rinnai promotes green activities involving every employee in all business areas.

Basic Philosophy on the Environment

Rinnai’s basic philosophy is to embrace environmental protection on a global scale and contribute to society through the pursuit of excellent, people- and planet-friendly technologies, and product development, production, sales, and services infused with a sense of humanity.

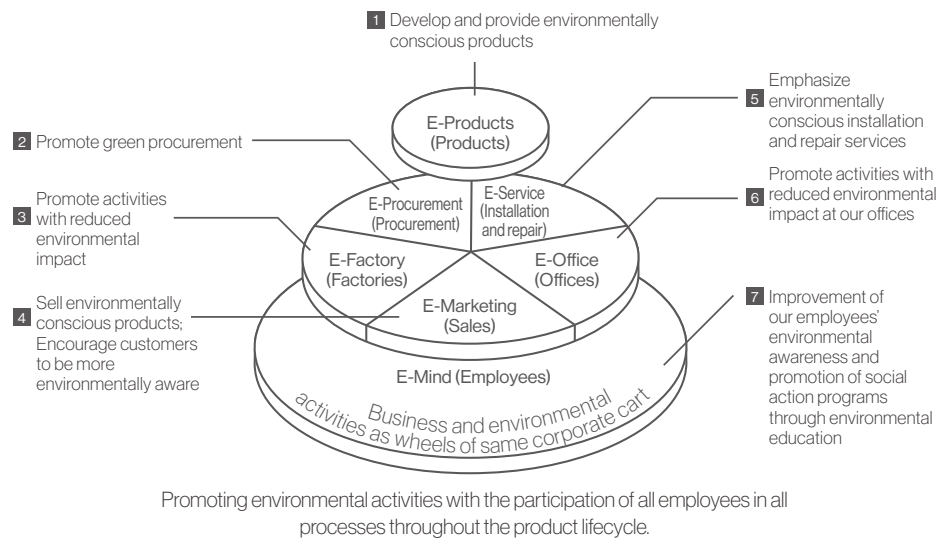
Environmental Slogan

Our actions are imbued with the wisdom of many and undertaken with due consideration for the sustainability of a people- and earth-friendly environment.

Environmental Policy

As a manufacturing company, Rinnai promotes environmental activities with the participation of all employees in all processes (development, procurement, production, sales, logistics, usage, and disposal) throughout the product lifecycle based on our Basic Philosophy on the Environment and Environmental Slogan.

- a) We will promote activities to protect the environment by accurately identifying the effects that heating appliances, including hot-water units, kitchen appliances and room heating appliances, as well as associated product development and production activities and sales and service activities have on the environment and by establishing environmental objectives and targets as well as programs that consider biodiversity, prevent environmental pollution, mitigate the effects of climate change and adapt to climate change, and reduce environmental impact.
- b) We will abide by environment-related laws and regulations in addition to our own self-established standards.
- c) We will conduct eco-minded materials procurement (E-Procurement) and manufacture environmentally conscious products (E-Products) at environmentally sustainable factories and offices — E-Factory and E-Office — underpinned by a high level of environmental awareness among employees (E-Mind), and through product sales and service activities that minimize impact on the environment (E-Marketing and E-Service), we will implement initiatives to prevent global warming — that is, save energy — and also effectively utilize resources, reduce waste and boost recycling, while working with communities and contributing to society.
- d) We will set up a review committee at the management level and implement internal environmental audits, and we will maintain a self-monitored environmental management system and strive for constant improvement.
- e) We will make this environmental policy known to employees and all people who work within our organization and disclose content to all stakeholders, that is, any interested parties.



Promotional Framework for Environmental Activities

Headed by the President, the Environment Management Committee guides corporate efforts. This committee is chaired by the executive officer responsible for the environment and has the participation of representatives from all divisions. Its mandate is to promote environment-oriented activities from a “big picture” perspective.

The Environment Management Committee discusses and decides important items, including basic environmental policies, targets and medium- to long-term plans. The committee thoroughly informs individual divisions of decisions made by the committee and promotes concrete activities in line with annual plans. We review our objectives as necessary and diligently strive to meet our targets quarterly. To perform specific activities, each division has a liaison group and holds routine meetings to make issues known to everyone in the respective division and continue improvement activities.

ISO 14001 Certification

To conduct environmental conservation activities on an organized and ongoing basis in line with Rinnai’s Basic Philosophy on the Environment and Environmental Policy, Rinnai promotes environmental management and works to boost its environmental performance through the acquisition of ISO 14001 and other certifications related to environmental management systems.

[Link destination Data Book Environmental Data page 127 Status of Acquisition of Certifications](#)

External and Internal Environmental Audits

Rinnai undergoes a routine annual audit by an external screening and registration body to verify that its environmental management system is being properly applied. Regarding internal audits, the audit team is composed of auditors selected from throughout the Company with a neutral perspective in that they are not directly affiliated with any of the departments to be audited. They audit other departments for compliance with the environmental management system and with any revisions to environmental regulations as well as for the content of their activities.

We have confirmed that external and internal audits are conducted through an annual PDCA cycle.



External environmental audits

Materiality [Environment]

Environmental Training

To promote environmental activities, it is important for all employees to have an environmental mindset. Rinnai implements practical training for persons in charge and general training at each level of the organization.

Training for Internal Auditors

Our internal auditors play a key role in the ongoing enhancement of our environmental management systems. Implementing audits demands a high level of expert knowledge and communication skills. To raise the skill level of its internal auditors, Rinnai holds regular training sessions led by in-house trainers on laws and regulations, internal policies, and issues identified and corrective actions from internal audits.

General Training

Aiming to promote environmental contributions in its core businesses, Rinnai's general training incorporates various programs to raise environmental consciousness targeting newly hired employees according to employees' roles and ranks.

In recognition of these efforts, Rinnai received the Minister of the Environment Award (Large Enterprise Category), the top award at the Environmental Persons Development Awards sponsored by the Japanese Ministry of the Environment and the Environmental Consortium for Leadership Development. This is the third straight year we have received recognition, after winning the "Excellence Award" in the previous two years. We will continue to provide regular environmental education, opportunities to experience nature, and workplace motivation through the President's Award for employee-initiated ideas and daily improvements, among other efforts recognized as making significant contributions to the environment and management.

Link destination Environmental Data page 55 Status of Environmental Communication

Compliance with Legal Regulations

While compliance with legal regulations is a given, Rinnai sets more stringent voluntary standards and engages in daily supervision, conducts periodic measurements and implements thorough environmental audits. We are working on the creation of a rapid response mechanism to prevent recurrence in the unlikely event that a violation or complaint were to occur.

In fiscal 2023, there were no violations of environment-related laws and regulations, including those related to pollution prevention.

Environmentally Conscious Design (Product Assessment)

Rinnai implements product development with a focus on the environment from the planning and design phases based on its product assessment guidelines. We are developing equipment with a lower impact on the environment than preceding models by reducing the amount of raw materials required and considering recycling in designs, such as structural designs that facilitate disassembly.

With regard to the use of plastics in our products, we have set a goal to make new products lighter and with a smaller footprint than previous models as outlined in these guidelines. At the same time, we endeavor to consider how the product will be taken apart, such as minimizing the use of dissimilar materials in adhesive parts, which are difficult to disassemble. In our packaging design, we use packaging made from easy-to-recycle cardboard, and are also expanding our use of returnable packaging to promote the reuse of packaging materials and are reducing the weight and volume of packing by making more effective use of packaging components.

Environmentally Conscious Design Policies

- Conservation of resources
- Reduce environmental impact at the manufacturing stage
- Reduce environmental impact at the usage stage
- Potential for recycling
- Safety
- Ease of collection and transport
- Reduce environmental impacts in the final disposal stage (consider recycling in designs, etc.)

Supply Chain Management

Amid rapid changes in the social environment aimed at realizing a sustainable society, to continue doing business into the future, Rinnai must contribute to the environment both as a Group and through the supply chain. In addition to communicating Rinnai's green procurement policies to our suppliers, through daily exchanges we promote improvements that contribute to environmental management and lead to reduced greenhouse gas emissions.

In recognition of these efforts, in fiscal 2023 Rinnai received a rating of "A-" in the Supplier Engagement Rating conducted by CDP, an international non-profit organization that addresses climate change and other environmental issues.

Materiality [Environment]

Prevention of Global Warning

Major changes in climate patterns due to global warming and other factors are threatening the building of sustainable societies.

Rinnai will formulate long-term targets focused on 2050 and work toward minimizing energy consumption.

Toward the Achievement of Carbon Neutrality by 2050

To realize carbon neutrality in household heat utilization, we must undertake measures based on national policies, a theme closely connected to operators of energy infrastructure-related businesses.

In November 2021, we formulated and announced our commitment to carbon neutrality called Rinnai Innovation Manifesto 2050 (RIM 2050) as a corporate policy, setting 2050 as the target year.

The Challenge of Zero CO₂ Emissions from Product Usage

Amid global movements to curb rising temperatures, Rinnai views these efforts in terms of risks and opportunities as it takes on the challenge of realizing zero CO₂ emissions from product usage by 2050. Looking at the lifecycle of our products from procurement to disposal, CO₂ emissions during use account for more than 95% of our total emissions. This demands that we not only evolve our existing energy-saving products, such as high-efficiency water heaters with latent heat recovery and the *ECO ONE* hybrid water heater and heating system, but also to ultimately create products and systems that emit no CO₂ at all. In anticipation of a full-scale decarbonized society in the future, we will continue to develop and research combustion equipment that is compatible with hydrogen infrastructure and systems for net zero CO₂ emissions.

Link: Materiality Special Feature (1)-4



Testing of Rinnai's 100% hydrogen combustion water heater (Australia "Hydrogen House")

Case Study: Overseas Expansion of Energy-saving Water Heaters

Rinnai New Zealand proprierarily developed the first all-in-one heat pump water heater that takes into account that country's unique climate and customer needs. This product uses a non-CFC refrigerant, while also achieving high energy consumption efficiency. In addition, the heat pump and tank design allow them to be taken apart and transported separately, facilitating easy installation that takes the repair circumstances of each household into consideration. Electricity reduction rate -77% (source: Rinnai)



Energy-saving water heater designed for the New Zealand climate

The Challenge of Zero CO₂ Emissions from Factories and Offices

Rinnai aims to achieve zero CO₂ emissions from factories that manufacture products and offices, including the Head Office and sales offices. Among greenhouse gas emissions, we will target Scope 1 and Scope 2 emissions, and in addition to reducing CO₂ emissions through daily manufacturing improvements, Rinnai aims to achieve zero CO₂ emissions in 2050 through the proactive transition to green electricity among other efforts.



Installing Solar Power Generation Equipment in Factory Buildings (Rinnai (Thailand))



Promoting ZEB Certification Acquisition Activities at Offices (Niigata Branch)

Main indicators

- Domestic bases will be converted to green electricity by 2030
- Overseas bases will be converted to green electricity by 2050

Examples of potential approaches for achieving these goals

- Promote zero energy through karakuri* improvements
- Thoroughly eliminate waste by minimizing processes and lines of flow
- Promote renewable energy through the electrification of equipment, etc.

* A simple mechanism that uses gravity rather than a motor or other electrical power source that is useful when transporting parts.

Also Taking on the Challenge to Achieve Zero CO₂ Emissions Outside of Product Use under Scope 3

In addition to CO₂ emissions from product use, we believe there is room to reduce CO₂ emissions from the procurement of materials and parts, logistics, human movement, and disposal, with the aim of mitigating the risks associated with climate change. We will promote optimal energy-saving and CO₂ reduction activities in each process and take on the challenge of achieving zero CO₂ emissions under Scope 3. Specific plans for 2030 and beyond will be developed and discussed within the RIM 2050 Council with a view toward achieving a decarbonized society in 2050.

Examples of potential approaches for achieving these goals

Procurement	Enhance and promote environmentally friendly initiatives with an insistence on procuring materials and parts alongside business partners, etc.
Logistics	Strengthen CO ₂ reduction efforts that expand the scope of improvements to include logistics and suppliers, etc.
Disposal	Promote comprehensive recovery schemes within construction and operations, etc.

Materiality [Environment]

Resource Recycling

From the perspective of intergenerational equity toward the creation of a sustainable society, there is a requirement to consume resources only to the extent that the resource needs of future generations may be met. Rinnai is working to minimize environmental impacts and promote the sustainable use of resources through initiatives related to waste and water.

Waste Generation Control and Zero Emissions

We continuously work to reduce the generation of waste and achieve zero emissions (zero landfill waste), and we maintain a recycling rate of 99.5% or higher. We maintain efforts to recycle as much of the unnecessary materials as possible based on the assumption that raw materials used in the manufacturing process will be used efficiently.

* Rinnai manufacturing site zero emissions definition: Recycling rate of 99.5% or higher (less than 0.5% landfill waste)

Primary Initiatives

Manufacturing	<ul style="list-style-type: none"> Increasing yields by raising the effective utilization rate for pressed components (measures aimed at the root cause) Effectively using leftover materials Reducing defect rates Raising the recovery rate of residual chemical agents Making transport materials returnable Eliminating excessive packaging, other Lightweight design (reduced material usage) Using recycled materials, etc. 	Office	<ul style="list-style-type: none"> Promoting a shift to paperless work processes through digital transformation (DX) Curtailing the use of disposable and consumable materials Raising awareness by letting employees see how many copies they make and how much they cost
		Both	<ul style="list-style-type: none"> Improving the accuracy of material separation Consigning industrial waste processing to a reputable vendor, etc.



Eco house

Industrial Waste Processing

When reaching agreements with waste processing subcontractors, Rinnai conducts strict inspections involving elements such as their financial condition and on-site confirmations. In addition to confirming operational details such as business registration certificates and manifests for managing different varieties of waste, their disposal methods, and processing statuses, we also visit processing subcontractors every year to conduct on-site inspections and exchange opinions on the status of proper waste processing and the implementation of employee training.



Waste processing facility patrol

Management of Polychlorinated biphenyl (PCB) Wastes

The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes requires that companies such as Rinnai upgrade their storage of PCB, a substance used in transformer oil, and dispose of it by the end of March 2027. We are promoting measures aimed at expedient disposal. Until PCB disposal is complete, the Company will implement leakage prevention measures in preparation for possible equipment failures during storage. We also diligently secure facilities to prevent loss and conduct proper labeling.

Initiatives to Improve Packaging

Rinnai uses packaging made from easy-to-recycle cardboard, while also expanding the use of returnable packaging to promote the reuse of packaging materials in an effort to reduce the weight and volume of packing by making more effective use of packaging components.

Initiatives in ocean plastic problem

Each of our offices is mindful of the ocean plastic problem and is working toward the reduction of plastic waste from the product design stage onwards.

Main Initiatives

- Introduction of hot runners and promotion of runner-less molding through CAE analysis
- Reduction of plastic usage through review of component structure
- Elimination of vinyl to protect sketch materials
- Use of recycled plastic materials during component molding, etc.



Recycled plastic materials are reused for electrical component cases

Materiality [Environment]

Recycling Initiatives

At least 80%–90% of the materials used to make gas appliances consist of recyclable materials such as iron and copper. Gas appliances that have reached the end of their useful lives are collected and disposed of through two channels: by local authorities in the case of appliances that require no installation work, and by contractors in the case of appliances that do require such work. The Environmental and Recycling Action Committee formed by the Japan Industrial Association of Gas and Kerosene Appliances, of which we are a member, regularly surveys the state of disposal of end-of-life gas and oil appliances. Thus far, the committee has conducted examinations in various formats, including questionnaires, verification testing at recycling plants and processing condition confirmation. Through these efforts, the committee has confirmed that used gas and petroleum equipment has been properly disposed of and that the recycling rate has been maintained at a high level.



Disposal site visit

Recycling Home Electrical Appliances

Japan's Home Appliance Recycling Law went into effect in 2001 with the goals of reducing the amount of waste going to landfills and incinerators and to promote more effective use of resources. Since then, old appliances thrown out by consumers have been recycled into new products. Rinnai now has two products—a unit-style air conditioner and a clothes dryer—that fall under the category of recycled products.

Report on Recycling Specified Household Appliances (<https://www.rinnai.co.jp/csr/result/index.html>) (in Japanese only)

Recycling Containers and Packaging

Under the Containers and Packaging Recycling Law, which seeks to make more effective use of resources, manufacturers and businesses that use the products are required to recycle product containers and packaging discarded by households. In accordance with the law, Rinnai has outsourced the recycling of containers and packaging to designated businesses that undertake associated services on the Company's behalf.

Concern for Water

Rinnai recognizes water as a critical resource and is working to reduce its usage of both public water and groundwater in its business activities. In addition, we endeavor on a daily basis to save water and use circulating water while undertaking thorough drainage water management to ensure the water used does not harm the environment.

Primary Initiatives to Reduce Water Usage

- Improving awareness of water-saving (banning leaving faucets running, etc.)
- Utilizing rain water
- Using water-saving functions at facilities that use water
- Creating and using frameworks to increase the volume of circulating water (Utilization of treated wastewater in office toilets, etc.)

Case Study: Reducing the Environmental Impact of Wastewater Treatment (Noto Tech)

Sludge collection methods have been revised and a system established to recycle and use wastewater that was previously discharged, achieving a reuse rate of 50%. Furthermore, we have taken measures at the source and during transportation to thoroughly prevent the risk of leakage into the soil.

Case Study: Environmental Conservation through the Effective Use and Improvement of Facilities (RT Engineering)

In line with equipment upgrades, we made effective use of pre-processing equipment formerly used at other business sites, and we also optimized routes to reduce environmental costs. In addition to reducing the amount of water used for cleaning, we revised drying methods, which contributed to an approximately 50% reduction in CO₂ emissions.

Assessing and Understanding Water Risk

As the world's population increases and urbanization and industrialization continue to progress, there is concern that humanity may face water shortages. To respond to business risks associated with water, Rinnai is identifying business locations with high water risk both domestically and internationally using a water risk assessment tool known as Aqeduct* and sharing the results of analyses performed with the tool. Rinnai, while focusing on the risk conditions in each region, views reducing water usage as an opportunity to cut manufacturing costs and is working to mitigate water risk while also reducing manufacturing costs. In addition, Rinnai is working to protect water resources in its supply chain in recognition of the impact water shortages can have on materials supplied by business partners.

We have therefore set criteria related to water resources in the Green Procurement Standards Guide, which outlines the environmental activities that we ask our business partners to participate in.

* Aqeduct: A water risk atlas and information tool provided free of charge by the World Resources Institute (WRI)

Materiality [Environment]

Pollution Prevention

Some chemical substances can have a negative impact on ecosystems and human health if they are not managed appropriately and accumulate as environmental pollution over long periods of time. Aiming to minimize the use of chemical substances that may affect people and global environments (atmosphere, water areas, and soil), Rinnai conducts management in accordance with both customer demand and each individual country’s regulations throughout the lifecycles of its products.

Promoting Management of Products Containing Potentially Harmful Chemical Substances

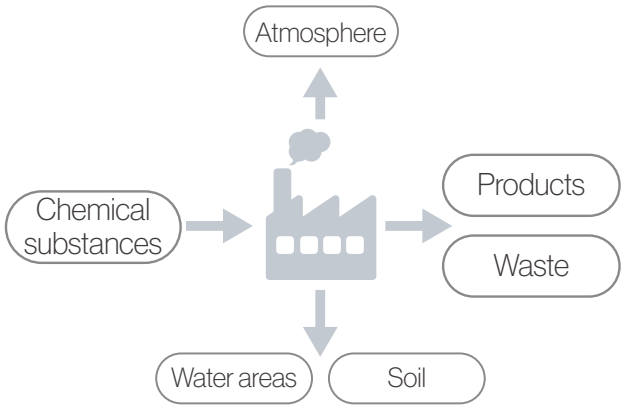
Companies are being required to appropriately understand and manage the overall supply chain for the chemicals used in their materials and products. The Rinnai Group endeavors to appropriately manage information concerning products containing potentially harmful chemicals along with its suppliers. The Company conducts this management based on its Green Procurement Standards Guide (E-Procurement Standards Guide) and its Chemical Substance Management Guidelines, which address regulatory concerns regarding green procurement and chemical substances contained in procured materials, respectively.



Green Procurement Standards Guide cover

Initiatives to Reduce the Environmental Impact at Factories

To minimize the impact on the environment, Rinnai is reducing and eliminating the use of hazardous chemical substances through such initiatives as reviewing the chemical compounds used in the relevant manufacturing processes and improving processing equipment. At each manufacturing site, we check and manage the amounts handled, released, and transferred of the 462 Class 1 chemical substances designated under the PRTR1 Law, of which 500 kg or more is handled each year.



Flows of Release and Transfer of Chemical Substances (PRTR Substances)

Environmentally Conscious Manufacturing

At Group manufacturing bases, we are making efforts to reduce our environmental impact through improvement activities in each process.

Case Study:

Constructing an Environmentally Conscious Recycling System (Rinnai Brasil Heating Technology)

In consideration of both safety and the environment, the cleaning fluid used to wash away chips and shavings generated during cutting has been changed to a non-toxic, biodegradable* material. Furthermore, we introduced an automatic circulation system to facilitate the reuse of cleaning fluid, which contributes to a nearly 30% reduction in water use.

* Even when disposed of, the fluid is decomposed by microorganisms and circulated back into nature.

Preparing for Emergencies

All offices run annual drills premised on adverse events, such as environmental accidents. To minimize environmental pollution risk, we have also reviewed procedures setting out actions to take in the event of a crisis and have prepared emergency provisions.



Emergency response training (Yanagisawa Manufacturing)

Inspection of Critical Facilities

We prioritize inspection of facilities that have a risk of impacting the environment and safety, conducting inspections on such environmentally critical facilities on a regular basis. We work to prevent serious accidents by inspecting individual facilities, verifying measuring equipment is working as expected, and conducting simulations of emergency situations.

Materiality [Environment]

Protecting Biodiversity

Protecting the biodiversity that underpins social sustainability has become an urgent priority for humankind.

We will explore initiatives aimed at achieving a global nature positive and contribute to biodiversity by recognizing the relationship (influencing factors) between Rinnai business activities and biodiversity.

Approach to Protection of Biodiversity

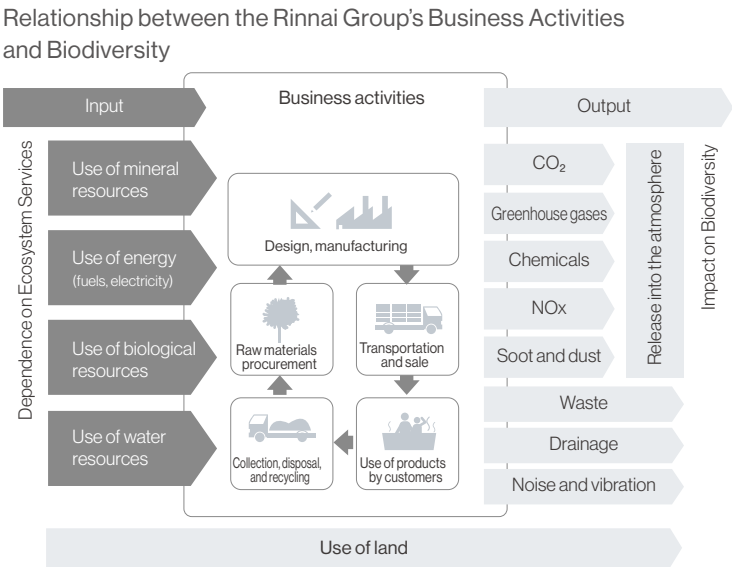
We have incorporated "consideration for biodiversity" into our ISO 14001 environmental policy and starting in fiscal 2024, we partially revised the following principles and are pursuing action in a more organized manner.

Rinnai Principles on Biodiversity

1. Recognition of the issues	Rinnai regards protection of biodiversity as a priority for corporate survival and incorporates it into its environmental policy.
2. Cultivation of awareness	Rinnai is committed to deepening understanding and cultivating awareness of biodiversity by creating opportunities for contact with nature, including through preservation and greening activities undertaken around Company premises.
3. Ascertaining and Reducing Impacts	Rinnai will assess, ascertain, analyze and set targets with respect to the impact of its business activities on biodiversity, and strive to continually reduce that impact.
4. Approach	Rinnai will prioritize measures with high impact and efficacy from the perspectives of biodiversity and business.
5. Disclosure of information	Rinnai will publish details, both internally and externally, of its policy on and initiatives to protect biodiversity, and aims to develop cooperation with local communities.

Relationship between Business Activities and Biodiversity

Rinnai ascertains factors that have an impact or are dependent on nature through its overall business activities, including raw materials procurement, while continuously categorizing and examining potential future risks and countermeasures.



Furthermore, to raise awareness of biodiversity conservation in each department, we are communicating the relationship between our business activities and biodiversity, while promoting activities in each workplace related to CO₂, waste, air, and water that contribute to biodiversity.

Influencing factors	Example of relationship with Rinnai	Main activity themes	Main initiatives
Global warming prevention	Emissions of greenhouse gases such as CO ₂	Global warming prevention	Design of energy-saving products Energy conservation in factories, logistics, and offices
Overconsumption	Resource consumption	Resource circulation Resource saving Local contribution	Reduction of input resources Recycling Circulating use Invasive species extermination
Invasive species	Transfer due to transportation of parts and products		
Use of land	Land modification associated with mining underground resources and construction, etc.		
Pollution	Release of chemical substances due to lack of thorough management	Pollution prevention	Reduce the inclusion of chemical substances in products and the use of the substances in manufacturing Pollution prevention

Extermination of Specified Invasive Species

At COP15 held in November 2022, the decision was made to target a 50% reduction in the introduction and entrenchment of invasive species by 2030. Since fiscal 2018, we have been working with local governments, volunteers, and neighboring businesses during Environment Month in June to eliminate at least one ton of specified invasive species (*Coreopsis lanceolata*) every year. In fiscal 2023, a total of 103 people exterminated 628 kg of invasive species while being mindful of safety by limiting the work area and number of participants in consideration of the spread of COVID-19. 1,054 kg of invasive species were eradicated in fiscal 2024.

Specified invasive species are living organisms that the Japanese government has determined to pose a risk of harm to ecosystems when they are introduced from other regions. Their cultivation, preservation, import, transport, and breeding are prohibited. As *Coreopsis lanceolata* is a very fertile perennial plant, it is possible that seeds are carried into the factory by logistics trucks or employee commuter vehicles as they enter and exit. If left unchecked, this invasive species could spread to other areas and grow over a wide region, and as a Company operating in this area, Rinnai believes we have a responsibility to prevent a biodiversity crisis.

To maintain these efforts, we conduct fixed-point observations of growth conditions before and after extermination through periodic monitoring surveys, and have revised countermeasures to focus activities in a short period of time to avoid extermination during seed-bearing seasons. We plan to continue these activities until extermination is complete to preserve biodiversity in this area.

These efforts continue to receive "Master Certification" under the Aichi Biodiversity Company Certification Program sponsored by Aichi Prefecture.



Extermination of the invasive species *Coreopsis lanceolata*



Aichi Biodiversity Company Certification Program
Master Certification Company certificate

Materiality [Environment]

Protecting Biodiversity

Nijyu-maru Project* Registration Efforts

The Rinnai Group endorses the *Nijyu-maru* Project organized by the Japan Committee for the International Union for Conservation of Nature (IUCN-J) and promotes global biodiversity conservation activities. “*Nijyu-maru* Project Registration” pertains to initiatives in line with the 20 goals outlined in the “Aichi Targets,” which are global objectives adopted at the 2010 Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity held in Nagoya, Aichi Prefecture. Thus far, five projects have been registered.

* *Nijyu-maru* Project: A framework in which citizens' organizations, companies, local authorities, and others state and register their declaration to do what they can to contribute to the Aichi Biodiversity Targets (*Nijyu-maru* Declaration)



Materiality [Environment]

Environmental Communication

We use regular communication and exchange events as a means of building awareness of the Rinnai Group's environmental activities in order to deepen our ties with and be a trusted member of our local communities. Furthermore, Rinnai sets June as Environment Month and holds various environment-related events to further enhance the environmental consciousness of its employees.

Communication with Local Communities

Group employees periodically engage in cleanup and greening activities around the Group's factories and along their commuting routes to help look after the natural environment around its operations. At Rinnai offices near coastal areas, we collect trash from the ocean that has washed ashore and engage in other cleanup activities.



Collecting ocean trash at Chirihama Beach in Hakui, Ishikawa Prefecture (Noto Tech)

To promote awareness of our environmental and business activities, we regularly invite local students, employees' families, and members of various organizations to visit our factories and attend events as part of our efforts to communicate with local communities.

Case Study: SDGs Tour (RB Controls)

At company tours held every year for employee families, we plan and hold SDGs-themed event, with booths related to the 17 goals, hands-on experiential corners, an SDGs stamp rally, and other activities that provide an opportunity to think about the SDGs while having fun.

SDGs Booth Exhibits

- Learned about the energy required to generate electricity through a hands-on experience making LED lights
- Made basket-woven round plates using rattan, a plant that absorbs a substantial amount of CO₂
- Served gelato made with Noto premium milk and Noto butterbur, and white sesame, all produced in Ishikawa Prefecture, to promote local production for local consumption



SDGs Experience booth

Rinnai Group Environmental Awards Programs

The Rinnai Group Environmental Awards are held annually to recognize outstanding environmental activities and stimulate more action on the environment throughout the Group. These awards recognize major contributions to environmental conservation and regional communication and are open to all bases in Japan and throughout the world. The 14th awards ceremony was held at the Rinnai Group New Year Convention, at which Rinnai's CEO presented the awards.

In fiscal 2024, there were a record 257 entries submitted, from which one Grand Prize and 11 category-specific awards covering manufacturing, offices, logistics and social contributions were selected.



In-house award and submission awareness poster

In-house Environmental Newsletter *Eco no Coe*

Rinnai regularly distributes the in-house environmental newsletter *Eco no Coe* to ensure employees around the world stay up to date with Group environmental activities and environmental trends elsewhere in Japan and other countries. This newsletter has been published since 1999 as a means of enhancing environmental knowledge and awareness, encouraging communication among employees.

In fiscal 2024, we raised awareness of Rinnai initiatives addressing the ocean plastic waste problem and measures to reduce food loss.



Eco no Coe (Measures to reduce food loss)

Promoting Environmental Communication through the Cultivation of Traditional Vegetables

As part of our environmental awareness program, since fiscal 2017 we have been growing heirloom* and other seasonal vegetables that have been popular since the Edo period. To date, local vegetable seeds have been distributed to more than 1,000 employees and their families, providing them with opportunities to experience local food culture and nature and become familiar with greenery through growing, harvesting, and eating the vegetables themselves.

* Heirloom vegetables: Vegetables that have long been popular in a region, such as Kyoto and Kaga vegetables



Harvesting traditional vegetables (images courtesy of employees' families)

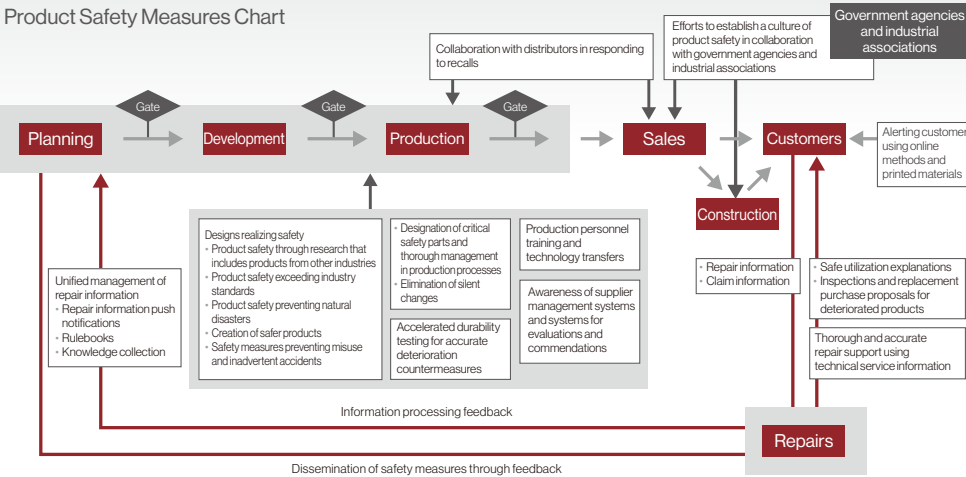
Materiality [Safety and Peace of Mind] | Materiality Special Feature (2)-1

Winner of the METI Minister’s Award at the Product Safety Awards (PS Awards) 2023

Rinnai received the METI Minister’s Award in the Major Company Manufacturers and Importers Category at the Product Safety Awards (PS Awards) 2023, held by the Ministry of Economy, Trade and Industry. The Product Safety Awards (PS Awards) are a program in which the Ministry of Economy, Trade and Industry grants awards to businesses proactively working toward product safety, carefully screened from among a wide range of applicants. Evaluations are not of the safety of products themselves, but of the product safety activities in which each company is engaged.



Rinnai views improving quality and consumer safety as important business priorities, and daily efforts to achieve both are based on the Product Safety Measures System Diagram.



Rinnai’s Insistence on Quality—Message from Person Responsible for Quality—

“Quality is our destiny,” which is the fundamental concept underpinning product safety, was a pledge made by former Chairman Naito in order to compete on quality amidst fierce competition during the high-growth period. This led to the idea of not relying on others, and assuming the responsibility of manufacturing ourselves. Former Chairman Naito also issued a policy applying to gas appliances the “zero defects” concept, followed by those working in the aircraft industry, where a single mistake can lead to major accidents. As the last generation to have directly inherited the intentions of former Chairman Naito, we hope to foster a corporate culture of safety within the company.

In the Production Division, we designate parts that can lead to serious accidents if handled incorrectly as “critical safety parts,” and the processes involved in their production as “critical processes,” establishing a system ensuring the same level of safety and peace of mind is maintained even when production is carried out at overseas business sites, by rigorously controlling all operational aspects, from design to materials, personnel, equipment, and error handling.

Rinnai believes quality means preventing defects in production, as well as engaging in activities aimed at encouraging the safe and secure use of our products. As part of efforts to raise awareness and ensure that products delivered to customers are used safely, we are working through the industry to inform customers about promptly repairing and replacing products that have deteriorated over time.

Another issue to consider going forward is how to respond to the aging of society. To this end, we recently developed a stove that can be used safely and with peace of mind by the elderly. We will also continue to proactively enhance product safety in line with the times.



Managing Executive Officer, General Manager of Quality Assurance Headquarters
Chuji Nakashima
(At the PS Awards ceremony)

Materiality Special Feature (2)-2

SAFULL+, a Stove Developed Alongside People with Dementia



In February 2024, we launched SAFULL+, a stove that can be used easily by seniors and people with dementia.

Developing a stove for people with dementia is a rare undertaking in our industry, and it was also Rinnai’s first attempt at planning and developing a product together with people suffering from dementia.

This product was developed jointly by Rinnai, Saibu Gas, which is based in Fukuoka Kyushu, and Mediva, a consulting company focused on dementia and other healthcare issues.

Over the course of two years, we worked with people with dementia on multiple occasions, monitoring and discussing things like how the stove felt to operate and how the equipment felt to the touch. We would then return and



Monitoring activity

make prototypes, then have them check them again, repeating this process until this product gradually took shape. Utilizing knowledge gained during the monitoring stage, we added colored buttons so that critical on and off functions are easy to identify, utilized a design with full-sized black burner grates over a white surface, and incorporated the use of relaxed, colloquial language that makes audio notifications easy to understand.

SAFULL+ monitoring equipment was installed in an adult day care services facility where people with dementia live, and we asked for feedback after a month or so of usage. As projected, there were fewer instances of forgetting or making mistakes when operating buttons, indicating that insights from the monitoring stage, such as full-sized black burner grates over a white surface, were being utilized effectively. Above all, it was clear to see that the people with dementia were cooking with enthusiasm and enjoyment, which gave us a sense of accomplishment.

This product is attracting a lot of attention from the media and users, and we have high hopes for future sales. On this development project, we tried many new things, including product development in line with municipal social activities and products created in conjunction with people who have dementia. We want to continue leveraging opportunities such as these going forward, as hope to see the emergence of products aimed at the elderly and people with dementia throughout the world.



Installing SAFULL+ at Day Service Sakura

VOICE



KAFUJ COMPANY
Day Service Sakura
Mitsuyo Motono

I am very pleased that companies are interested in the elderly and people with dementia, and are creating products for them. I worked with Rinnai on the development of a stove for people with dementia. We installed the actual product in our facility, where everyone uses it and enjoys cooking.

I think products that provide assistance without too many restrictions on the behavior are the key to getting more of the elderly and people with declining cognitive function to use them. In developing the SAFULL+, we asked Rinnai to make changes to the button colors, burner grates, and stove top, but at the end of the day, I think simplicity is best.

Maintaining the ability to engage everyday activities such as cooking for as long as possible enables us to continue living life without losing our sense of purpose. I want to continue using SAFULL+ over the long term, and hope that companies continue to develop a deeper understanding with regard to dementia.

Materiality [Safety and Peace of Mind]

Safe and Secure Initiatives

Smooth Provision of Information through the Internet

Rinnai provides various types of information through its corporate website and product information websites. We also support display optimization for browsing on smartphones and other mobile devices in an effort to smoothly provide information in consideration of customer internet utilization circumstances.

Microcomputer Meter Reset Process Introduction

In the event of an earthquake having a seismic intensity of five or greater, the microcomputer meter automatically switches off gas lines. After an earthquake has occurred, the steps necessary to reset the microcomputer meter are quickly published on the Rinnai corporate website to easily enable the reset of the microcomputer meter when it is safe to do so.



Microcomputer meter reset process introduced on the Rinnai corporate website

Posted Reminders for Safe and Correct Product Usage

Using products for a long period of time can result in fire or injury caused by the deterioration or wearing of parts. Furthermore, incorrect usage can result in malfunctions or injuries. To ensure customers use our products in a safe manner, Rinnai provides warnings and displays in user manuals and on the products themselves that are useful for avoiding accidents caused by misuse or carelessness. We also publish detailed examples on our corporate website, in an effort to provide information that is easily understandable and draws attention in order to prevent product-related accidents.

Product-Related Accident Information Disclosure

In the event that a serious product accident occurs with a Rinnai product, we will promptly report the incident to the relevant authorities in accordance with the law. We will also proactively disclose all details directly to customers on our corporate website to notify and alert customers as quickly as possible in accordance with the severity and scale of damage.

After-Sales Services

To realize a “comfortable way of life” for all our customers, Rinnai is engaged in the provision of services that enable our products to be used with peace of mind.

Prompt After-Sales Services

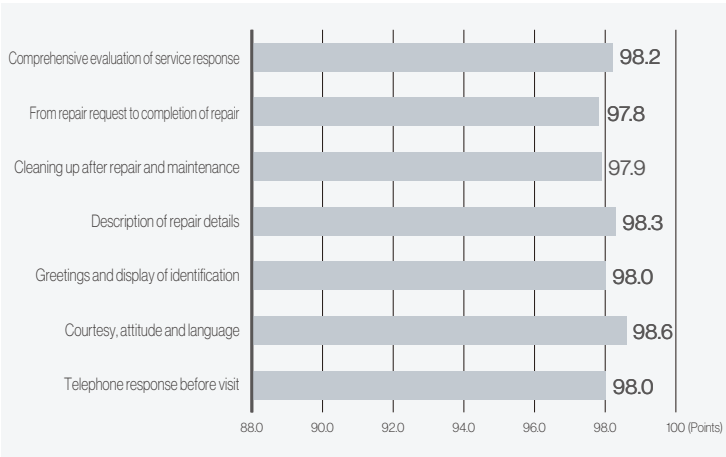
Approximately 600 servicemen across Japan repair Rinnai equipment. Confirming the status of service requests from customers on portable terminal devices, servicemen make an effort to complete inspections on the same day or by the next day to provide prompt after-sales services supporting a “comfortable way of life.”

Service Technician Assessment Questionnaire

Customer feedback questionnaires are provided to customers requesting repair services. This questionnaire assesses repair visit response times and other factors determining the degree of customer satisfaction with Rinnai repair services. Customer assessment results are provided as feedback and the results of questionnaires are utilized effectively throughout the Company.

In fiscal 2023, 94,000 customers completed questionnaires, which rated our after-sales services an average of 97.9 points.

Degree of customer satisfaction with repair services



Storage and Provision of Service Parts

As a general rule, we supply gas appliance components for five to 10 years after the end of production, and in some cases for more than 10 years. The establishment of a system able to quickly deliver parts when needed is indispensable for after-sales service, enabling customers to safely and comfortably use gas appliances over the long term. The Rinnai Parts Center, where parts are stored and shipped, maintains a large inventory of parts that uses a system to pick, pack and ship items. It is critical that we not make any mistakes regarding part type or quantity and that we deliver items by the due date. We promote efforts to enhance quality that include the documentation of work in a standardized document format and work guidance based on a brochure comprising our basic rules concerning quality.

Materiality [Safety and Peace of Mind]

Inquiries Response and Support System

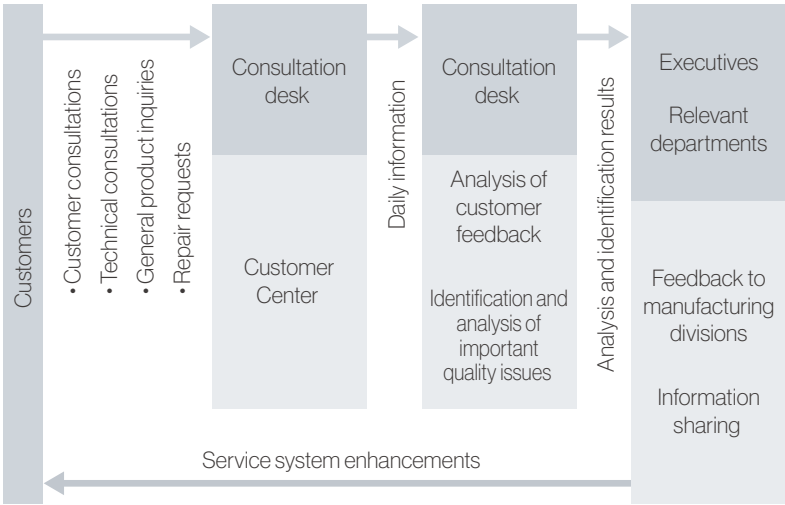
In line with our basic philosophy “quality is our destiny,” Rinnai satisfies customers by “responding to requests and consultations in a sincere, prompt and accurate manner” under the policy of “providing customers with satisfaction, safety and reliability.”

Basic Policies

1. We recognize customer opinions and requests to be the highest priority issues in all Rinnai departments.
2. We understand that customer complaints impact the entire Company, thus we take ultimate responsibility for the entire organization.
3. We take customer feedback seriously, share it internally and use it as a valuable source of information to provide better products and services.
4. We will always comply with laws and regulations and remain resolutely opposed to unreasonable requests.
5. Customer personal information is strictly protected in accordance with relevant laws and regulations and our personal information protection regulations.

Customer Center

We created the Customer Center with the aim of increasing customer satisfaction (CS). We receive various inquiries, opinions and requests directly from customers over the telephone or through our corporate website. Much of this valuable information from customers is provided as feedback to all departments as it useful for identifying and reviewing issues related to product development, quality control, and sales and service improvements.



Customer Harassment

Rinnai has reviewed the company’s stance on customer harassment and posted the results. We also hold internal workshops to deepen knowledge and understanding among relevant personnel.

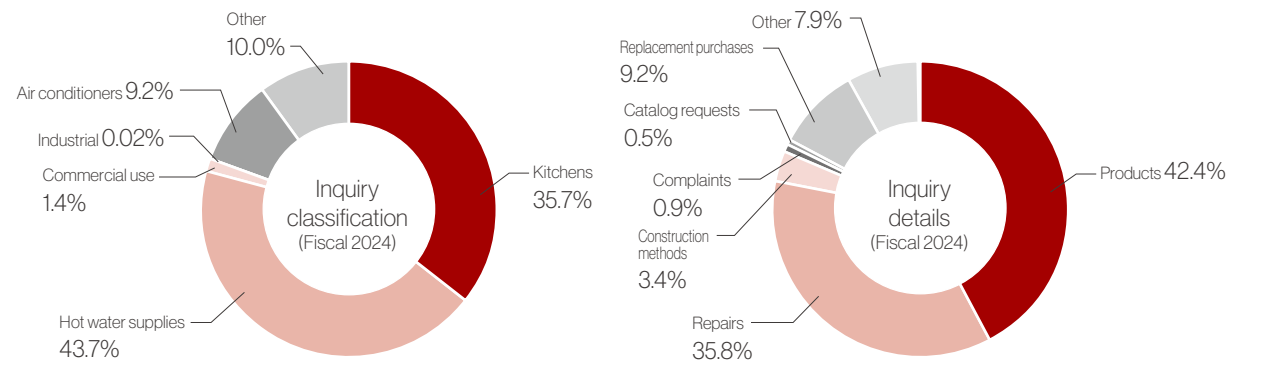
More information: <https://www.rinnai.co.jp/contact/repair/> (in Japanese only)

The Customer Center handles inquiries from customers via toll-free telephone numbers and emails. In fiscal 2023, approximately 790,000 toll-free calls and 20,000 email inquiries were received.



Rinnai Customer Center

Customers' Inquiries



Frequently Asked Questions (FAQ)

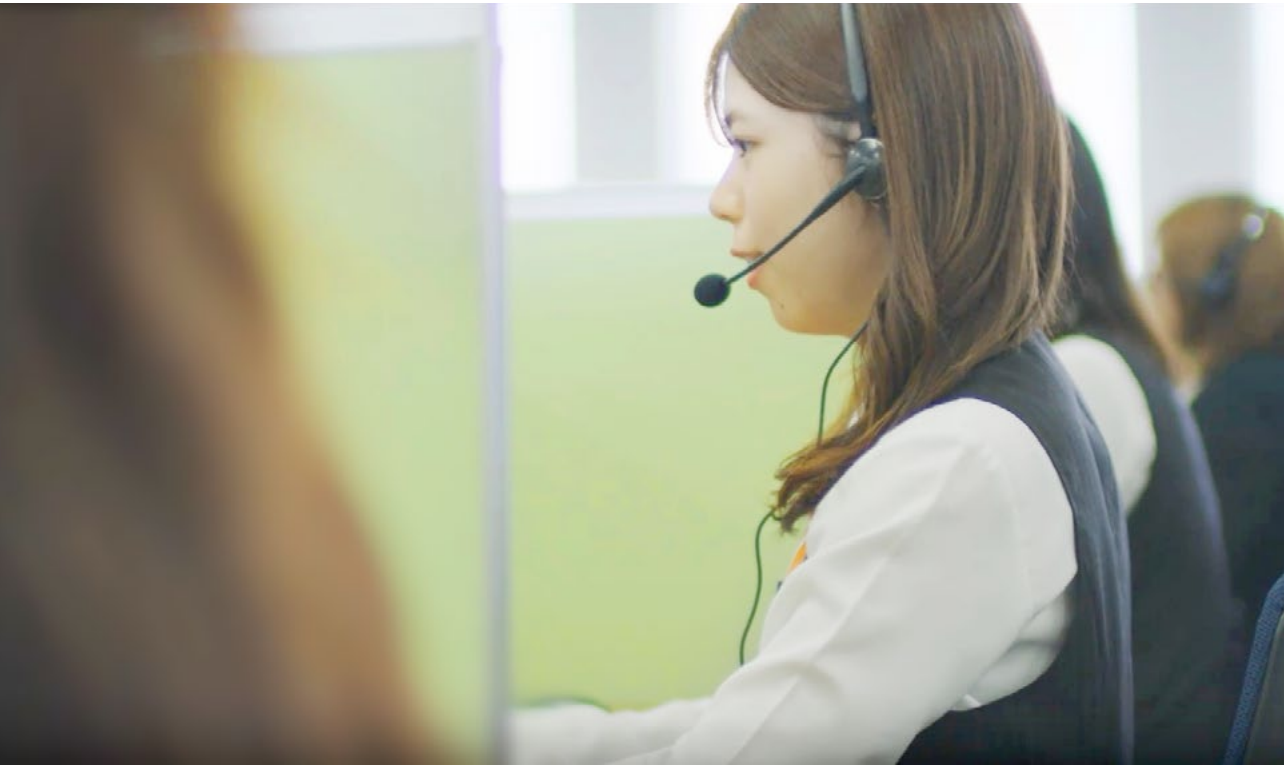
In response to customer desires to solve problems on their own, Rinnai created a “Frequently Asked Questions” page on its corporate website, with many customers taking advantage of how-to videos that 78.2% of respondents said resolved their issue.



FAQ (Japanese language only)

Materiality [Safety and Peace of Mind]

Inspection Efforts



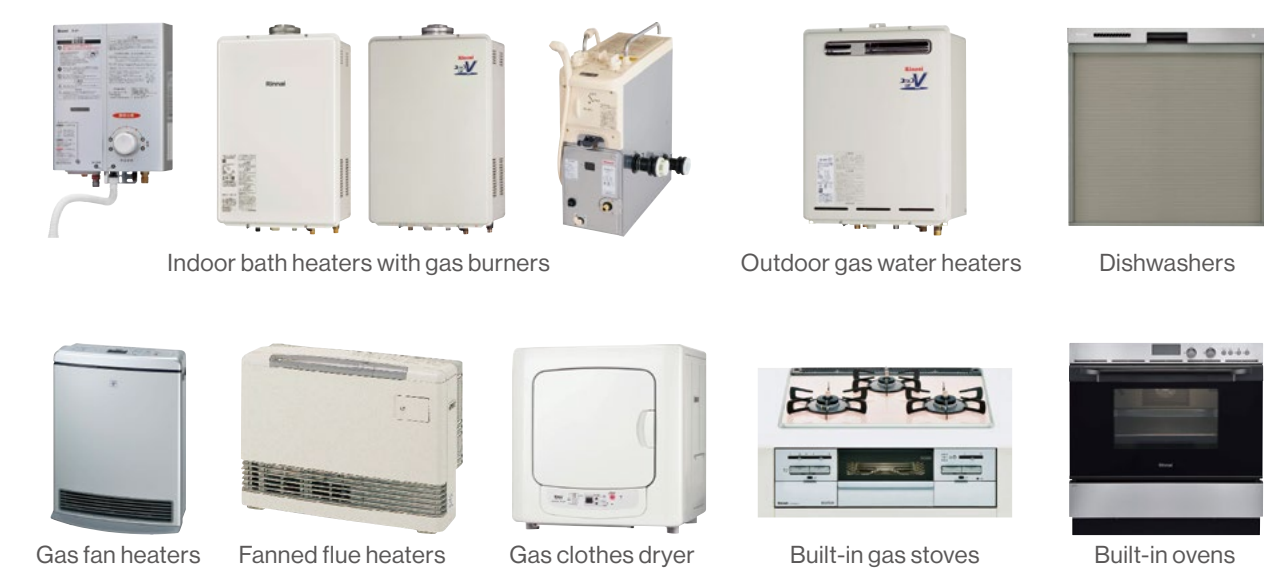
The long-term use of products can pose safety hazards due to deterioration that occurs over time. Rinnai conducts safety inspections in an effort to prevent accidents caused by deterioration over time. These inspections are conducted in line with standards based on inspection guidelines formulated by the industrial association to which Rinnai belongs, in accordance with the Consumer Product Safety Act's Product Safety Inspection System for Long-Term Use. With the understanding that products also have a standard usage period, we recommend that customers using Rinnai products have them inspected.

The Rinnai Group aims to enhance its maintenance check system, which employs qualified personnel to conduct appropriate inspections. At the same time, we offer unique services, such as extending product warranties for customers who registered their household hot-water equipment with us for an additional three years.

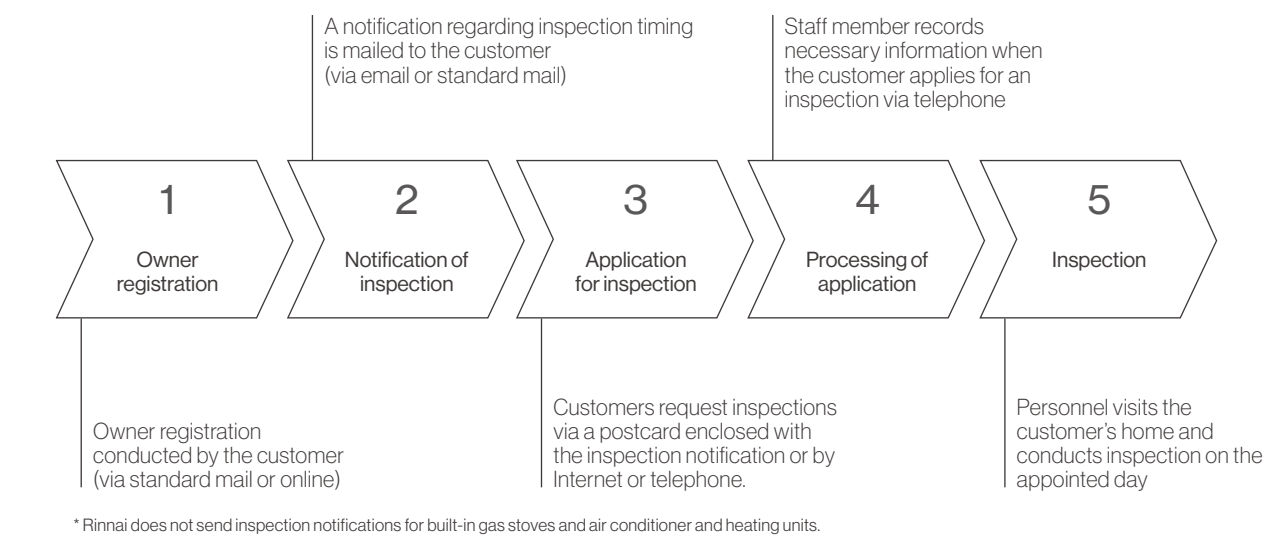
In addition, we work to increase customers' understanding of our inspection program and prevent accidents by providing information through our website and consultations via our maintenance and inspection call centers.

The Consumer Product Safety Act was revised in August 2021. Prior to this revision, owners of products designated as specified maintenance products were required to undergo statutory, fee-based product inspections. The 2021 revisions exempt some products from this requirement. For details, please see "Regulatory Revisions Related to Legal Compliance Inspections" on the Rinnai website (Japanese language only).
<https://www.rinnai.co.jp/safety/system/law/>

Products Requiring Safety Inspections



Inspection Process



Through central management of owner registration status to the inspection of each customer, Rinnai strives to improve customer satisfaction so that we can respond smoothly to any inquiries.

We protect personal information appropriately based on laws, regulations and strict management, never provide it to third parties, and do not anonymously process information. We will continue to improve our system and management structure to further heighten trust from customers.

Materiality [Safety and Peace of Mind]

About Inspections

Rinnai recommends safety inspections (fee-based) to prevent product accidents caused by age-related deterioration. If inspections are not conducted, we recommend equipment be replaced.

Inspection work is carried out based on established inspection procedures. The accuracy of the inspection is managed by checking the total number of work slips submitted to the customer and double checking to automatically check whether the input data is correct when it is entered into the dedicated system. In addition to explaining the details of inspections to customers, we also explain available options that customers should take into consideration in accordance with the inspection results. In the unlikely event that a product is deemed unsafe to use, details regarding follow-up inspections are mailed at a later date in an effort to prevent accidents. Inspections are conducted by certified Rinnai technicians. We strive to improve the quality of inspections through efforts that include instructing inspectors based on statistically managed data.

Customer Feedback Regarding Inspections

Among inquiries from customers, many are of the opinion that inspections are obligatory, or free of charge, or unnecessary because the gas company already conducted an inspection. For these reasons, Rinnai strives to raise awareness when conducting inspections to ensure customers receive inspections with peace of mind.

There are also situations where customers who have scheduled inspections request cancellations, thus we promote a deeper desire for inspections among customers who intend to prevent accidents caused by deterioration over time and use their products for as long as it is possible to do so.

Future Initiatives

Traditionally, manufacturers have engaged in activities such as the development, manufacturing, sales, and repair of products, and are now involved in inspections through the safety inspection system, among other customer safety activities.

In order to prevent product-related accidents due to deterioration over time, it is necessary to understand the inspection system and further strengthen inspection-related efforts. Utilizing the results of inspections to understand how equipment deteriorates over many years of usage, Rinnai will make an effort to strengthen its customer safeguard systems and reflect this understanding in future inspection notifications.

Five Basic Inspection Work Focus Areas and Rinnai’s Response

Five Focus Areas			Rinnai's Response
1	Quality inspection	Quality inspector, quality support, legal compliance, inspector report	<ul style="list-style-type: none">• From appointment to completion of inspection, all work conducted according to the inspection manual to promote higher CS• Check progress of inspection to ensure appropriateness, confirm all inspection work to prevent inspection errors• Train qualified inspection personnel through skills management, regular training and technical support for inspection engineers• Engage in customer safety activities such as alerting customers after inspections which equipment is prohibited from usage
2	Customer focus	Reflecting deteriorated product use and customer feedback into products	<ul style="list-style-type: none">• Customer feedback is collected at the time of inspection and is incorporated into the inspection system and products
3	Customer satisfaction	Appropriate and polite provision of information, etc.	<ul style="list-style-type: none">• Website content expanded and manual updated to provide appropriate information to customer inquiries received by telephone• When making an appointment for inspections, we not only provide explanations based on appropriate treatment standards, we also conduct a preliminary survey, and if there is a possibility that the equipment is no longer usable, to reduce the inconvenience to customers before the inspection, we offer the customer the option of inspection, repair or replacement.• When registering products, customers are notified that registration is complete and asked to confirm registration details, establishing a framework for the provision of appropriate information.
4	Safety guidance	Provide safety guidance before product failure, not after	<ul style="list-style-type: none">• We provide guidance so that products are inspected before they fail or after the inspection date has passed to prevent degradation.
5	Establish trust	Based on appreciation for many years of product usage	<ul style="list-style-type: none">• For customers thinking about purchasing a Rinnai product, we provide detailed information regarding our maintenance system in our catalogs and on our corporate website. A registration completion notification is sent to customers when they register their product, and in the unlikely event of repairs, the warranty that began at registration is extended (applicable to home gas appliances). When nearing the inspection date notifications are sent. These activities are useful for ensuring customer safety and security when using our products starting as soon as they make a purchase.

Bathing Habits Revealed to Improve the Body’s Ability to Dissipate Heat through Perspiration and Blood Flow, Potentially Preventing Heatstroke

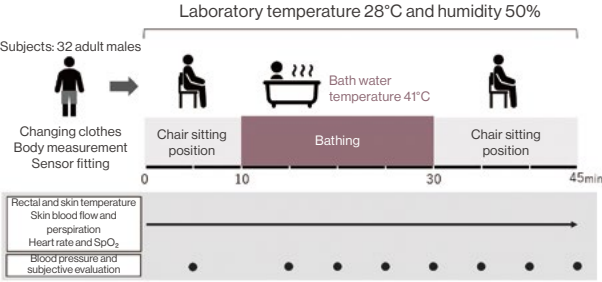
Collaborating with a research group led by Kyushu University Graduate School of Design Associate Professor Takayuki Nishimura, Rinnai has demonstrated that regular bathing habits may be able to improve perspiration and vasodilation. Our research suggests that bathing regularly increases perspiration and blood flow under hot conditions, which improves the body’s ability to dissipate heat from the surface of the skin, potentially contributing to the prevention of heat stroke and summer fatigue. These results were presented at the 84th Meeting of the Japan Society of Physiological Anthropology (2023).

[Research Background and Objectives]

Heat acclimatization is considered an effective measure against heatstroke. Heat acclimatization involves gradually building up tolerance to hot environments by getting used to the heat, but in recent years, factors such as the widespread use of air conditioners indoors and lack of exercise are thought to be preventing humans from acquiring heat acclimatization. High-intensity thermal loads are typically required to artificially achieve heat acclimatization, and Japanese people experience heat loads on a daily basis in the form of bathing, and daily bathing is thought to increase perspiration and promote heat acclimatization. Since it is not fully clear the extent to which daily bathing habits contribute to the body’s ability to adapt to hot environments, we measured the body temperature regulation function, including perspiration during bathing, with the aim of clarifying whether habitual soaking in the bath affects individual differences in thermoregulatory function.

[Experimentation Methodology]

We conducted experiments using 32 healthy male subjects. The laboratory temperature was set to 28°C with 50% humidity, and the bath water temperature was maintained at 41°C. The subjects rested in a chair in the bathroom for 10 minutes after the experiment began, then moved to the bathtub for a 20-minute soak. After that, they left the bathtub and rested in the chair for a further 15 minutes. A questionnaire on bathing habits was given to the subjects, and we inquired about bathing preferences and duration.



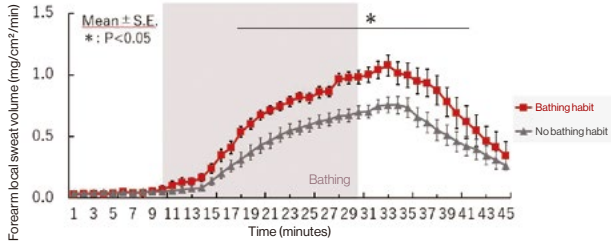
Experimentation methodology



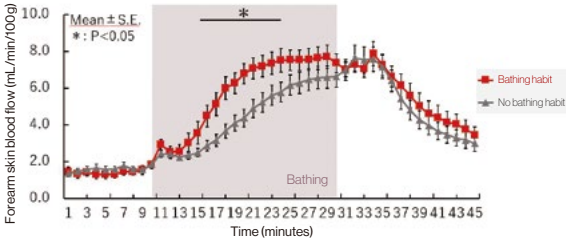
Experiment subject

[Results and Considerations]

Perspiration and blood flow were graphed for 12 subjects who habitually take baths (four or more times per week), and those who do not (fewer than four baths per week). As shown below, those who habitually take baths perspired significantly more before and after bathing, indicating that blood flow (vasodilation) increased more quickly. These results remained the same even when considering other factors, such as age, exercise habits, and BMI. These results suggest that repeated exposure to heat by bathing on a daily basis may improve the body’s heat dissipation function, even without engaging in high-intensity heat and exercise training.



Amount of perspiration during bathtime



Amount of blood flow during bathtime

VOICE



Kyushu University, Graduate School of Design Associate Professor

Takayuki Nishimura

I have loved taking baths ever since I was a child, and that love has grown to the point where I’m now studying them at university. As Rinnai is strongly associated with bathing, we felt they would be a highly compatible partner for our research into the pros and cons of bathing.

In bathing culture, there is increasing polarization between those who soak in the bath and those who only shower, and in the process of collecting various data to gain insight, we were able to quantitatively observe that the perspiration effect is stronger in people who take baths. As our research progressed, we were able to generate solid numerical results and gather enough data to prove our findings, and are now at a stage where we can make this announcement. Going forward, I hope to verify the changes that occur when people who do not take baths develop a regular bathing habit.

My image of Rinnai was a company that makes water heaters, but I learned that in addition to bathrooms, they also manufacture equipment for kitchens, and I was surprised at the breadth and scale of their business, which has expanded beyond Japan and throughout the world. In conducting joint research, I had the opportunity to interact with Rinnai employees, some of whom were serious, and others relaxed, but they were all united in their commitment to this project.

Rinnai is a leading manufacturer of hot water heaters, and I think it can lead the industry based on its strong association with bathing. I would even go so far as to say I hope Rinnai promotes bath and bathing culture throughout the world, as it can bring about global changes. I believe Rinnai has the power to make this happen.

Comfortable Bathing Experiences with Air Bubble Technology

To create new value in existing business domains, Rinnai developed the industry’s first residential-use water heater that provides hot water containing fine bubbles, which are divided into categories such as ultra-fine bubbles and microbubbles, depending on the difference in bubble diameter. We have defined the generation of fine bubbles from hot water equipment as “Air Bubble Technology” and are working to further advance fine bubble technology.

Air Bubble Technology is used in Microbubble Bath Units and ultra-fine bubble water heaters, making daily baths more relaxing, and simplifying the cleaning of wet rooms throughout the house. With Air Bubble Technology, Rinnai is providing new experiences in everyday life.

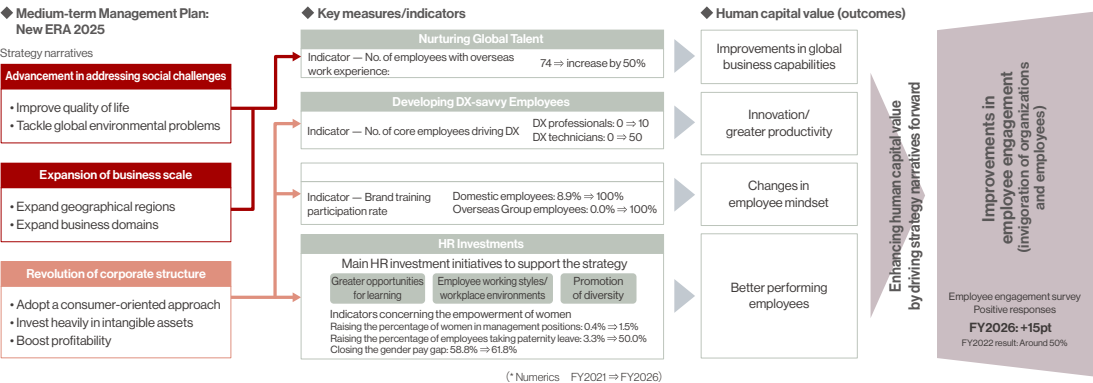


Materiality [Human Capital]

Rinnai's Human Capital Strategy

In our Medium-term Management Plan, New ERA 2025, we formulated a set of strategy narratives around how we intend to contribute to “Advancement in addressing social challenges”, “Expansion of business scale”, and “Revolution of corporate structure.” The aim of the plan is to achieve sustainable and sound long-term growth. In order to put these strategy narratives into practice as the first step towards growth for the next generation, it is absolutely essential that we mobilize the strengths of our employees—the driving force of growth—and constantly embrace challenges. We intend to actively invest in human capital tied to our management strategy, and not only will we aim to achieve corporate growth by furthering our strategy narratives, but we will facilitate employee growth and higher levels of engagement by driving this process forward.

• Outline of Human Capital Strategy (metrics and targets)



• Key Measures (HR development policy, workplace environment development policy)

Nurturing Global Talent

Considering that overseas sales account for more than 50% of our total revenue, growth in international markets is a major driver accelerating the expansion of our business scale. To expand our presence overseas more aggressively than ever before, guaranteeing the quality and quantity of global talent will be a key element in our human resources strategy.

Specific initiatives include clarifying positions needed by country and department, developing programs for overseas talent development, and establishing an overseas talent pool. Currently, we have 120 employees with overseas secondment experience, and our talent pool stands at 118 and projected to continue growing. We will continue to enhance our support for employee training, increase our competitiveness in the global marketplace, and focus more than ever on advancing our overseas business to ensure sustainable growth and competitiveness.

Developing DX-savvy Employees

In a society characterized by changing buying behaviors and distribution structures, it is crucial that we fundamentally reassess our conventional business and operating processes and transform our corporate structure, primarily by shifting to a consumer-oriented approach, in order to ensure future competitiveness in our mainstay business.

In March 2024, Rinnai was designated as a “DX Certified Business Operator” under the DX Certification System established by the Ministry of Economy, Trade and Industry.

In terms of human resources, we have defined two types of core employees that will lead the Company’s digital transformation—DX professionals and DX technicians—and have launched specialized training programs. Currently, we have identified 22 candidates to become DX-savvy business personnel and have started their talent development. Besides training for than these core individuals, we are also promoting IT literacy training for employees. In fiscal 2024, some 300 employees invested a total of 10,000 hours to improve their skills.

Looking ahead, the Company as a whole will work towards improving the skills needed to create new business and streamline management.

Brand Penetration

Since 2016 we have deployed a unified brand strategy both domestically and internationally. At the core of our branding activities is the instillment of our brand message among employees. That is why since launching the new brand, we have run training sessions for mainly employees in Japan, based on the thinking that having every employee understand, and embody in their day-to-day tasks, the brand promise of “creating a healthier way of living,” is vital to the establishment of the Rinnai brand. In addition, we regularly survey our employees’ level of understanding of our brand, and in fiscal 2024, 56% of employee responses received were positive (down 4% from the previous year). Based on these results, we promoted further penetration of the brand through targeted education for brand ambassadors and designated staff in each department. Another initiative was the delivery of brand awareness training to all Rinnai employees, and we achieved our target for the year of 100% participation. We will continue to ensure that each employee is aware of the brand promise and work to firmly establish Rinnai as the brand of choice for our customers.

HR investments to support the strategy

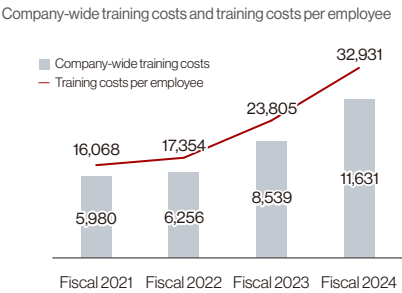
(1. Greater opportunities for learning, 2. Promotion of diversity, 3. Employee working styles/workplace environments)

Alongside our global, DX, and branding initiatives, we are also undertaking medium- to long-term HR investments with the intention of enhancing employee performance, which is essential to the execution of our management strategies. We believe that for a company to grow, it is vital that employees feel empathy for its policies and strategies, take pride in their work, and approach their responsibilities in a self-directed manner. Since fiscal 2022, Rinnai has been conducting an employee engagement survey for all employees to clarify the current issues in each organization and implement invigoration measures. In the most recent survey conducted in October 2023, the positive response rate from employees declined 5 points from the previous survey, which was not a favorable result. Employees take pride in providing products and services that are essential to people’s lives and work with a strong sense of mission. Despite this, the engagement scores have fallen due to the influence of the Rinnai’s atmosphere, which is characterized by anxiety about the Company and employees’ own careers, and a strong mentality to prefer the status quo. Taking this employee feedback to heart, we would like to further accelerate our HRs investments to support the strategy of focusing on greater opportunities for learning, promotion of diversity, and employee working styles/workplace environments to both drive corporate growth and improve employee engagement.

1. Greater opportunities for learning

We recognize that investment in employee education is particularly critical within our human capital strategy and provide therefore proactive educational opportunities to support the improvement and growth of our employees’ capabilities. Rinnai’s training and education expenses have been steadily increasing over the past few years, as shown in the figure on the right. This increase is directly linked to the improvement and growth of employees’ capabilities and contributes to enhancing the organization’s competitiveness organization as a whole. We have also created an environment that encourages employees to take the initiative in improving their fundamental business skills and expertise and to learn with their sights on their future careers. The number of employees participating in our self-improvement programs has steadily increased to 796 (up 36% compared to the previous year). Self-improvement by employees not only enhances motivation and skills, but also contributes to the formation of the desired organizational culture and sustainable growth.

In addition to the above, in fiscal 2022 we launched a core talent development project, as we believe it is essential to identify and nurture human resources from a Company-wide perspective. The second cohort of participants is currently undergoing this program, and 48 people have participated in the project to date. We have also implemented pre-management education as a measure to improve management skills at an early stage, with 50 employees attending the first session. Up ahead, we will continue to invest in education and training and work to develop the capabilities of our employees and the organization.



2. Promotion of diversity

Rinnai is introducing various initiatives to spark new ideas by utilizing human resources with diverse values and experiences. In particular, we recognize that there is still room for improvement in terms of utilizing the capabilities of female employees. The status of initiatives in fiscal 2024 is as follows: 11 women (11% of the total) were hired as new graduates for career-track positions, four women (four out of four eligible) were transferred from support roles (general positions) to career-track positions, and the ratio of female managers was 0.96% (three women were promoted to management positions). Rinnai is thus actively promoting diversity from various angles and encouraging the active participation of female employees in key postings. In addition to initiatives targeted at female employees, we are also encouraging male employees to take childcare leave. In fiscal 2024, we made progress toward our target of 50% in fiscal 2026, with a 36% rate of leave taken. Alongside efforts to create a comfortable workplace environment in which female employees can keep working, we are also raising the understanding of childcare among male employees, reassessing work styles, raising awareness of unconscious bias, selecting candidates for management roles and systematically training them, and thus fostering an internal culture that embraces diversity. Although this is a work in progress, we will continue to actively work to address the issues we face in promoting the advancement of women in Rinnai, and we will promote the participation and changing the awareness of all employees. We will be also striving to improve the innovativeness and competitiveness of the entire organization by promoting diversity and inclusion.

3. Employee working styles/workplace environments

We are working earnestly to improve employees’ working styles and workplace environments. We aim to improve employee engagement and productivity through initiatives such as health support and revisions to the personnel system. Rinnai is actively developing health support programs as part of the employee benefits services available to all employees. The number of users is increasing every year, with 2,098 people taking advantage of the services (up 806 compared to the previous year). In addition, we support the health and stress management of our employees by providing regular health checkups, stress checks, and healthy food options in our newly renovated staff cafeteria. In terms of the personnel system, we felt that it was necessary to review programs that were suited to employees’ working styles and to changing times. We therefore introduced a paid time off program, reviewed family allowances, and reviewed the working styles of reemployed people. Enabling employees to feel a sense of improvement in their work-life balance creates more fulfilling work environments leads to more positive outcomes for the organization as a whole. We will continue to listen to the opinions of our employees and work towards creating even better workplace environments.

Materiality [Human Capital]

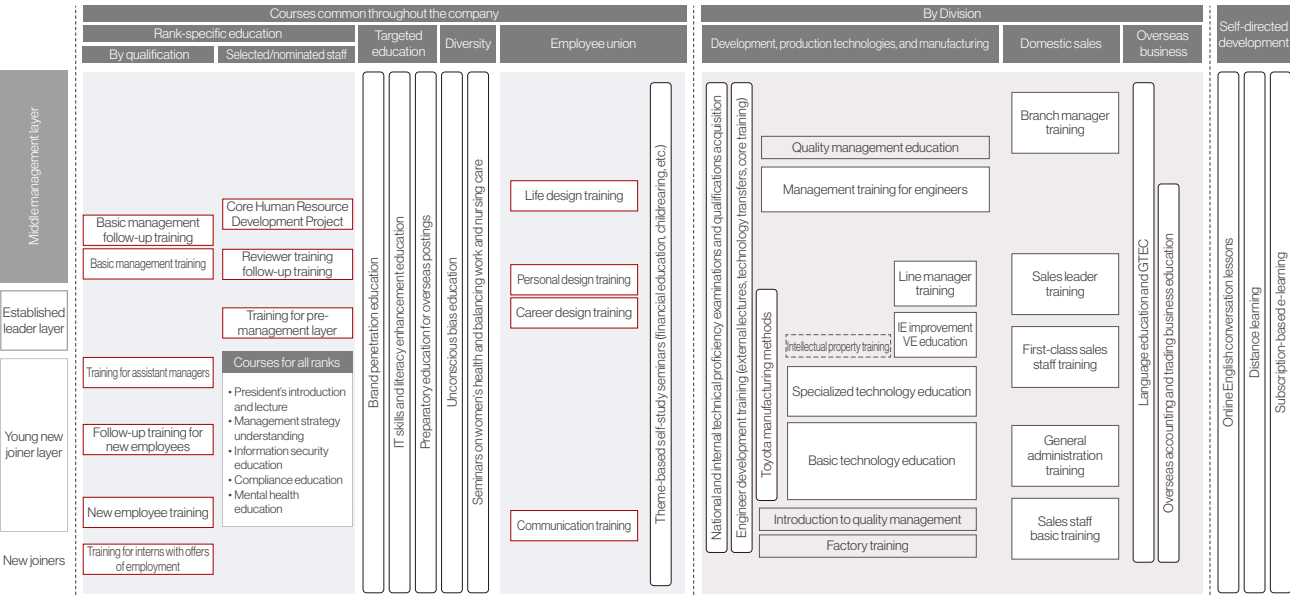
Personnel Training

Rinnai's company motto and foundation, “Harmony Spirit Sincerity,” embodies the meaning “to care for the people we work with, to work together, to have strong individual responsibility and sincerity, and to take on all challenges with diligence and a scientific perspective.” To live up to this motto, we will provide and expand personnel training opportunities to cultivate human resources aligned with these aspirations.

Overview of Human Resource Development

Rinnai's training system consists of four main elements with a focus on raising the capabilities of all employees and encouraging their growth: “rank-specific training” to promote awareness of the roles of each rank and fundamental business skills; “job-specific education” to hone practical skills in each department; “self-development curriculum” to provide opportunities for each employee to improve their careers and skills; and on-the-job training (OJT) to transfer and develop know-how through practical experience.

Education System Overview



A scene from new joinder training

Rank-specific training is conducted for all employees, including those at Group companies, at the time of entering the Company and following promotions and other career milestones. In addition to providing training at each rank on Rinnai's philosophy, management strategy, and compliance with work duties that employees must understand and practice, we also emphasize understanding the expectations and roles of each rank and practicing them in work situations to acquire the appropriate mindset and skills.

Management Talent Development and Nominated/Selective Education

The role of the management layer is particularly critical for Rinnai's overall growth and for responding to a rapidly changing society. In addition to further strengthening the existing training by rank aimed at enhancing managerial skills, Rinnai is implementing targeted training for leader-level employees and retraining for manager-level employees. Furthermore, we are working to improve our organizational capabilities through the Core Human Resources Development Project, a selective training program that cultivates the people who will be responsible for leading Rinnai in the future.

The project was launched in fiscal 2022, when the first cohort of learners began training. At present, we are implementing the second phase of the training program, which started in fiscal 2024 and will last for a total of two years. The program is designed to help participants grow as human resources well suited for leading Rinnai's next generation by visualizing their strengths and weaknesses, providing them with specific skills tailored to each, and tracking their individual perceptions of growth through problem solving on the front lines and structuring the program according to their individual characteristics.

By implementing this training over the medium to long term, we will discover human resources that can become the next and future generations of executive management, thereby improving Rinnai's overall organizational strength.



Core talent development activity

Self-directed Development Curriculum Enhancements

Rinnai is implementing measures to improve the basic business skills and expertise of its employees, creating an environment that encourages proactive learning focused on future careers. Specifically, in the areas of IT literacy, language, and business skills, we review our programs every year to offer attractive programs as well as provide financial assistance to promote self-directed employee development.

We will continue to enhance our self-directed development curriculum to contribute to improved employee motivation and skills, and the formation of an organizational culture and realization of sustainable growth.

Job-specific Education

Each department offers training appropriate to the job and level of the participant. These include training for leader-level personnel, training to support the acquisition of skills, and training for employees who work with global counterparts.

Additionally, “manufacturing succession centers” are established at each worksite to preserve and pass on intangible assets, including accumulated process technologies and new technologies that perpetuate the “worksite intuition” of experienced employees. These are used as places to teach new employees manufacturing basics as well as a place to share and pass on information and educate personnel with respect to manufacturing “efficiency improvements and management strengthening.”

Materiality [Human Capital]

Development of Global Human Resources

In order to develop human resources who can play an active role across national borders and improve the capabilities of employees around the world, the Group has developed a business practices program that assigns mutual training programs to management divisions, product development divisions, and manufacturing divisions.

With regard to human resources in Japan, we provide opportunities for assignments to overseas group companies to employees in their 20s. The program is based on gaining actual experience through overseas assignments and aims to develop participants' adaptability to different cultures and international business sense.

VOICE



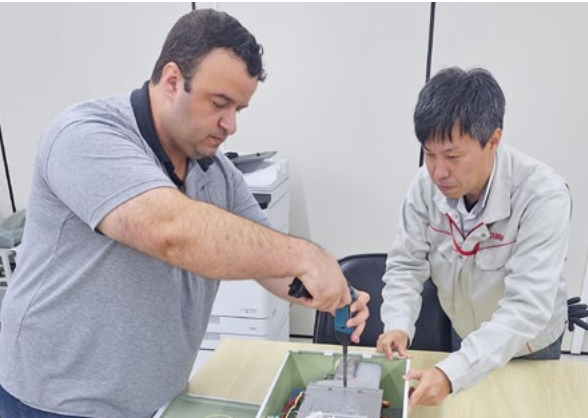
Rinnai Brasil
Hidenori Yokoi

Working with Local Members to Establish a Thorough Quality Control and Production System in Preparation for Increased Production

After joining Rinnai, I was involved in the manufacture and quality control of water heaters at the Seto Factory for about 23 years, and I have been stationed at Rinnai Brasil since January 2021. As this is my first time living abroad, when I first arrived, I was often confused by the language barrier, as well as the restrictions on movement due to the pandemic.

Rinnai Brasil manufactures water heaters, solar panels, and hot water tanks, and mainly engages in quality control, from parts acceptance to the manufacturing process, investigates product complaints in the market, and makes to manufacturing site improvements.

I engage in daily work by making use of what I have learned so far and the relationships I have built, but there are also many difficulties, as there are many things that cannot be done in the same way as in Japan due to differences in culture and ways of thinking. That being said, there is a tremendous sense of accomplishment when we solve problems and achieve goals. I will continue working with local members to establish a production system in preparation for increased production in line with expanding market share in Brazil and growing exports to other Latin American countries.



VOICE



Rinnai Viet Nam
Tsuyoshi Uno

Experiencing Other Cultures and Learning Everyday Striving to Be Trustworthy Both Inside and Outside of Work

For five years after joining Rinnai, I was in charge of countries in Asia, Europe, and the Americas in the Overseas Business Headquarters, and was involved in trade operations, product planning, and sales to distributors. After that, I was stationed in Singapore and Malaysia for two years each as secretary to the presidents of those local subsidiaries. After returning to Japan and working in the Overseas Business Headquarters, I was posted to Vietnam three years ago, where I am in charge of sales and marketing.

This is my third time living and working in a foreign country, and the work environment and culture are completely different from my past experiences, so many things don't go as I expect, but this also makes each day a learning experience that is usually very interesting. Working overseas, I often realize how important it is to build trusting relationships with colleagues, as well as how difficult it can be. I strive to become a trustworthy person both inside and outside of work.

In my private life, I treasure time spent with family who have accompanied me on my assignment in Vietnam, and I also work up a sweat by playing rugby, a sport I have been playing since my student days, to make up for a lack of exercise and to change my mood.



Materiality [Human Capital]



Health Management Initiatives

Rinnai believes healthy employees are important to enable the continued support of healthy customer lifestyles. Rinnai has clearly stated policies on the maintenance and promotion of employee health set forth in the Group Code of Ethics and the Personnel Affairs Division management plan. The Personnel Affairs Division established dedicated departments as part of Rinnai's three-pronged approach to supporting employee health, incorporating the health insurance union, employee union and the Company.

We provide more detailed care through occupational health physicians and public health nurses to prevent the taking of leave, as well as conduct rank-based mental health training. We are also working to create environments in which employees can work with peace of mind even if they become ill, by continuing to provide support for a smooth return to the workplace for employees who had taken leave. We are also striving to create an environment where employees can work with peace of mind when they are ill, by providing training on mental health at the occupational level and support in balancing work and undergoing medical treatment. Individual employees also receive health support through health events and individual coaching to help them develop sound lifestyle habits.



Augmenting the above initiatives, we provide an insurance business through our health insurance association as well as engaging in activities through employee unions, insurance agency services through Group subsidiary Rinnai Enterprises, and support from full-time public health nurses at the Health Support Office of the Personnel Affairs Division. In recognition of these initiatives, Rinnai was selected as an Outstanding Health Management Company 2023 (Large Enterprise Category), sponsored by the Ministry of Economy, Trade and Industry, in recognition of our efforts to promote health as a company practicing excellent health management.



Occupational Health and Safety

Basic Policy on Safety and Hygiene

Rinnai formulated the Basic Policy on Safety and Hygiene to create workplaces where all Rinnai employees can work with peace of mind, as well as to maintain and promote health, with the aim of reducing workplace accidents.

Basic Policy on Safety and Hygiene

1. Create safe and reliable work environment
2. Maintain and improve work environment
3. Attendance management and compliance with Article 36 Agreement
4. Promote measures to support for health improvement
5. Promote crisis management
6. Personnel training through safety education and workshops
7. Promote traffic safety activities

Promoting Safety and Health Activities

Rinnai has established the Rinnai Companywide Safety and Health Committee as a governing body for domestic Group companies and is working with safety, health, and disaster prevention officers at each business location to promote occupational safety and health activities.

Within safety and health activities conducted at each business site, to prevent disasters, activities include the horizontal deployment of examples informing employees about work-related injuries and corresponding recurrence prevention measures, establishing safety and health committees that include members from both labor and management, conducting safety and health patrols, and implementing the Company's five fundamentals of safety and health (regulation, arrangement, cleaning, sanitation and training). Through these activities, we are working to create workplace environments that are secure, safe and comfortable.

Promotion of Traffic Safety

We carry out various educational activities with the aim of raising employee awareness of traffic safety and contributing to the local community. As a "Zero Day" activity, employees themselves stand on the streets and call out to passers-by. We hold lectures by police officers in collaboration with local police stations, and for new employees, we rent out a driving school and hold practical training and risk prediction courses. Furthermore, through the periodic acquisition of driving record certificates, we ascertain the status of employee safe driving behaviors and provide individual guidance as situations demand. Rinnai company vehicles are equipped with drive recorders, corner sensors and other safety equipment, including safe driving eco-drive promotion systems (telematics), in an effort to promote employee traffic safety and eco-friendliness from practical as well as theoretical perspectives.

Materiality [Human Capital]

Work-Life Balance

Support for Work-Life Balance

For all Rinnai employees to perform well, attaining a sense of accomplishment and fulfillment balancing work and personal life for each lifestyle, we continue to enhance our personnel system to support all employees of any gender and nationality throughout their lives.

Program and Measure	Content
Childcare leave	Employees living with and raising a child or children less than one year of age may take a leave of absence from work until the child or children reach one year or one year and six months of age. (The leave of absence may be extended until the child or children reaches two years of age, dependent upon the conditions of the application for leave.)
Childcare shortened work hours	Employees who live with and raise children until March 31 of the third year of elementary school can request to have their prescribed working hours changed within a range of not less than six hours a day.
Sick or injured childcare leave program	Employees may take a maximum of 10 days (20 days for employees with two or more applicable children) of leave per year in half-day units to care for sick or injured children.
Extended family care leave	In principle, up to three periods of leave may be taken per eligible family member, for a total of 93 days.
Family care shortened work hours	Any employee who is responsible for a family member that requires full-time or nursing care may shorten his or her daily working hours, provided that a minimum of 6 hours are worked each day. This provision is possible more than once during the three years from the start of use of this program per each family member.
Family care leave	An employee can take up to 10 days leave per year (20 days per year if two or more family members require care).
Work from home program	The longest duration of "work from home program" shall be one year per application. Utilizing IT equipment, an employee may work partially or entirely at home.
Come Back program	This program offers an employment opportunity to our former employees who had to leave the Company for unavoidable reasons such as marriage, childcare and family care, or at his or her discretion.
Measure to reduce working hours (Flexible working hours)	Depending on work plans, the working hours and work start/end time can be negotiated.
Measure to reduce working hours (No overtime day)	Every Wednesday is set as "No overtime day" to encourage employees to leave on time.
Annual paid leave by the hour	Up to one day (eight hours) of paid leave can be taken in hourly units at any time during the day, including at the start, in the middle, or at the end of the working day.

Formulation and Implementation of the General Employers Action Plan

Rinnai formulated the General Employers Action Plan (Seventh Period: Fiscal 2025– Fiscal 2026) based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

Seventh Period General Employers Action Plan

1. Plan period

April 1, 2024 to March 31, 2026

2. Details

Goal 1: Promote the taking of childcare leave by male employees

<Measures>

- Publish interviews with male employees who have taken childcare leave in company newsletters, etc.
- Continue to publicize childcare leave based on the law and internal company systems.
- Improve productivity through the promotion of DX and revision of business processes, etc., to create a system that makes it easier to utilize childcare leave.

Goal 2: Introduce a system of annual paid leave that can be taken in hourly units, so that employees can leave work early or return home to engage in childcare, etc.

<Measures>

- Conduct a survey of employees and consider introduction of the system.
- Ensure employees are aware of the system through internal newsletters, etc.

Goal 3: Revise the system so that differences in treatment due to holidays or other factors can be made up over the medium to long term

<Measures>

- Discuss internally and consider proposals.
- Inform and educate both evaluators and employees.

Materiality [Human Capital]

Working to Enrich the Lives of Our Employees’ Families



Rinnai aims to create workplace environments and climates that allow its employees to feel glad to be working for the Company. We collect opinions regarding the Company from each workplace and hold regular joint labor management conferences along with employee unions. The goal of these conferences is to make improvements to the Rinnai Group. We move forward with improvements by sharing issues unique to each business location and conducting system revisions. The Company has conducted activities aimed at promoting the use of paid leave, established a new regional allowance system, and held nursing care seminars. Rinnai also provides financial support for health enhancement events held by employee unions, such as sport or bowling competitions and walking festivals. Finally, we collaborate with employee unions to provide workplace tours to employees’ families at our development locations and factories. Through these tours, we educate employees’ families about what we and their employee family members do.

Major Programs in Rinnai Employees’ Association

Item	Overview
Nationwide events in Japan	Various events to promote the health of our employees and their family members and communication, including bowling competitions, barbecue picnics, and sports festivals
Training seminars by age group	Training seminars focusing on “education for the soul” that support employees in developing attractive personalities as members of society

Industrial Relations and Human Rights

Establishment of Good Labor Relations

Employees of the Company are members of the Rinnai Employees’ Association, which functions as the organization to represent the entirety of the Company’s employees. Based on mutual understanding and trust, the Company and the Association establish healthy and sound labor relations, openly exchange opinions on management issues, labor conditions, workplace environments, and compensation and discuss improvement plans.

Moreover, the Company makes efforts to provide working environments where the employees of our business partners, etc., in addition to our employees can work safely and with peace of mind. We also actively arrange and offer welfare programs and various events and programs for our employees and their families.

Respect for Human Rights and Individuality

In accordance with the United Nations Guiding Principles on Business and Human Rights, Rinnai established and published the Rinnai Human Rights Policy (<https://www.rinnai.co.jp/en/corp/human-rights/>) in 2022. The Rinnai Human Rights Policy states that Rinnai respects human rights as set forth in international human rights standards; will not discriminate on the basis of gender, age, language, nationality, physical characteristics; will not tolerate child labor and forced labor; and will not engage in human rights violations. In fiscal 2024, we made efforts to increase awareness of the Rinnai Human Rights Policy among all employees. The Rinnai Group will also continuously conduct human rights due diligence to identify and assess the negative human rights impacts of its business activities and prevent or mitigate such risks.

Efforts to Prevent Child Labor and Forced Labor

The Rinnai Human Rights Policy and the “Rinnai Code of Conduct: 4.2 Prohibition of Child Labor and Forced Labor” stipulates that “We will not use any inappropriate labor including child labor that subjects persons under the legal working age to harmful labor or any form of unjust labor contrary to the intent of workers.” To prevent child labor, Rinnai thoroughly verifies the age of employees when they join the Company.

Measures to Prevent Harassment

To maintain a working environment that our employees find comfortable, we take measures to prevent any infringement of human rights, including sexual harassment and power harassment as well as harassment related to pregnancy, childbirth, childcare leave and nursing care leave (maternity/paternity harassment).

As a specific initiative, we produced a checklist of detailed examples of harassment that is posted on the Companywide intranet for self-assessment.

In addition, in fiscal 2024, we conducted harassment training for managers at sales offices. As another measure, in rank-specific training for promoted employees, we also provide harassment education to reinforce prevention. Additionally, we established employment regulations and in-house rules prohibiting disadvantageous treatment and clarified disciplinary actions based on employment regulations in the event an employee violates these rules.

Materiality [Human Capital]

Promotion of Diversity

Diversity According to Rinnai

Since its founding, Rinnai has been committed to local sales and local production, providing products and services suited to the living environment and climate of each country, while also actively recruiting local human resources, thereby incorporating diverse cultures and values and contributing to the lives of people around the world. Going forward, we will maintain efforts to create workplaces where all employees can maximize their individual capabilities, regardless of gender, age, nationality, disability, work history, lifestyle, or career, and we aim to enhance corporate value by generating new ideas that leverage human resources with diverse values and experiences.

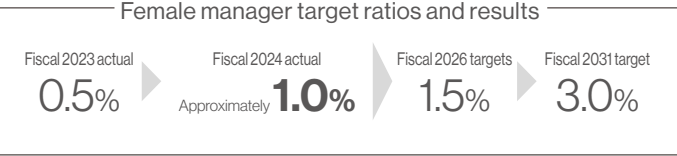
Status of Diversity, Equity, and Inclusion (DE&I) Promotion

We are promoting diversity, equity and inclusion (DE&I) so that a diverse range of people can work energetically and create new value that resolves various social issues. We will promote diversity by encouraging women to play active roles, hiring people with disabilities, and reemploying people who have left the company, while working to build a foundation that will enable all employees to expand their potential and advance DE&I measures.

Supporting the Promotion and Active Participation of Women

Rinnai considers it particularly important to maintain an environment in which women can play an active roles amid the overall promotion of diversity. We believe that in order to increase the ratio of female managers, which is one indicator of women's participation, it is particularly important to focus on recruitment and training.

We will continue to focus on the proactive recruitment of female career-track employees, and at the same time, we are planning a training program that will run for multiple years starting in fiscal 2024. In addition to a corporate culture development curriculum for all employees, we plan to provide support from various perspectives, including individual measures for female employees and their superiors. The current ratio of female managers is approximately 1.0%, and we will continue to focus on recruitment and training in order to achieve our goals quickly.



VOICE

Aiming for Presentations that Are Easy for Customers to Understand

In the department I belong to, we give presentations, demonstrations, and provide practical training to our clients, while also conducting in-house training sessions. We tailor our proposal methods depending on the sales channel, avoid complicated explanations wherever possible, and strive to make proposals that help working mothers imagine a wonderful life with Rinnai products. I also find it rewarding to receive reports from salespeople that our proposals have been accepted. Although training sessions are held one company at a time, and it's a slow process, I appreciate both our customers and the Hot. Lab environment, and want to continue giving the best presentations of my life.



Kansai Training Center, Kansai Branch Office, Marketing and Sales Headquarters
Noriko Yasuda

Formulation and Implementation of the General Employers Action Plan

Rinnai formulated the General Employers Action Plan (Fifth Period: Fiscal 2025– Fiscal 2026) based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

Fourth Period General Employers Action Plan

To improve the employment environment so that women can play an active role, Rinnai has formulated the following action plan.

1. Plan period
April 1, 2024 to March 31, 2026

2. Company issues

- (1) The gap between the average length of service for men and women is narrowing, and the number of women working long hours is increasing, but the proportion of women in general and managerial positions remains low.
- (2) Although the company has been able to continue hiring female new graduates for general positions, there is a bias in the departments to which they are assigned.
- (3) Male participation in childcare is essential to prevent women from having to stop their career development due to childcare responsibilities, but the rate of male employees taking childcare leave is low due to a lack of understanding from superiors and the wider workplace.

3. Goals, initiative details and implementation timeframes

Goal 1: Increase the percentage of women in management positions from 1.0% to 1.5%

<Initiative Details>

- Conduct interviews with top management and disseminate the details to all employees.
- Conduct training for superiors.

Goal 2: Increase the percentage of female new graduates hired for general worker positions from 11.4% to 20.0%

<Initiative Details>

- Hold recruitment events for women only.
- Expand the divisions to which female general employees are assigned.
- Review recruitment selection criteria and provide training for interviewers.

Goal 3: Increase the rate of male employees taking childcare leave from 36.3% to 50.0%

<Initiative Details>

- Continue to promote awareness of statutory childcare leave and internal systems.
- Provide education for superiors.
- Improve productivity by promoting digital transformation, reviewing business processes, and the creation of a system that makes it easier to take childcare leave.

Materiality [Human Capital]

Reemployment of Retired Employees and Support for Demonstration of Their Abilities

Rinnai promotes a reemployment program for employees who retired due to the age limit in order to continuously utilize techniques and skills that skilled employees possess and to smoothly pass on the skills and the Rinnai Spirit to following generations. There are currently many employees working under this program. We offer one-year contracts until the age of 65, with a choice of three options, enabling employees to work full time, alternate days, or reduced hours. We also have a system in place to extend employment to the age of 68 in the case of employees with outstanding specialist skills or abilities, to fit in with a wide range of individual lifestyles. This reemployment program provides employees with purpose and motivation in life as leaders/mentors and maintains and improves the corporate culture and dynamics within the workplace.

Promotion of Employment of People with Diverse Abilities

While achieving the legally mandated employment ratio for people with diverse abilities is a given, we are working to create a workplace where people with disabilities can work as productive members of the Company, making use of their individual characteristics and strengths. In hiring, we cooperate with various support organizations, including schools for handicapped children, employment support organizations, and the Public Employment Security Office to promote recruiting activities that emphasize matching applicants with the Company, such as hiring them after they have gained an understanding of our operations and workplace environments. As a result, we were able to meet employment ratios stipulated by law in fiscal 2024.

Furthermore, organizations and offices that specialize in employing people with disabilities in order to expand job opportunities for them perform various support tasks within the Company. We are promoting work initiatives and the creation of workplaces where people with diverse abilities can feel a sense of job satisfaction and personal growth. Toward this end, we are creating opportunities to proactively perform tasks required by each organization, such as cleaning in and around offices, supporting production at manufacturing sites, supporting the promotion of digitization in each organization (e.g. PC entry and PDF file conversion work), and sales posting flyer printing and mailing.



Headquarters building cleanup activities

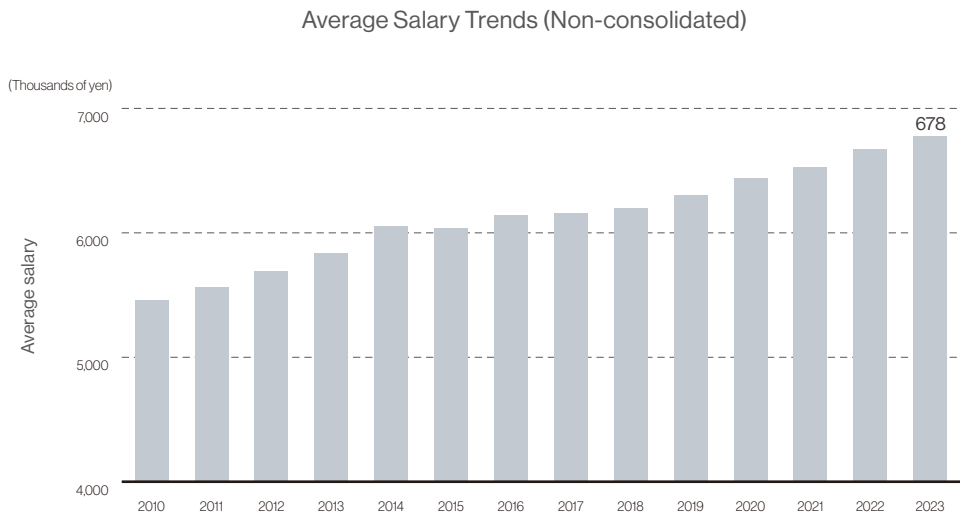


Packaging products at a distribution center

Rinnai Labor Productivity

As Rinnai business expands, we continue to increase the number of employees, while proactively promoting improvements in productivity and human resource skills, resulting in a steady increase in net sales per employee.

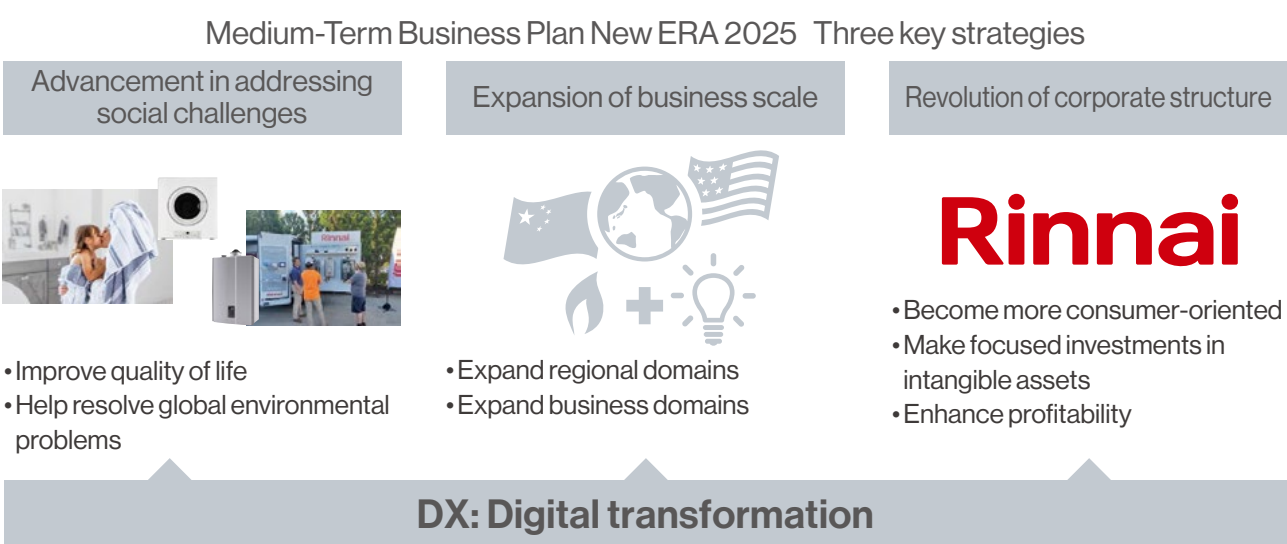
We will expand business globally while continuing to emphasize human capital and promote corporate prosperity in line with personal growth. In addition, we are continuously and steadily increasing employee salaries to reward contributions while also increasing the so-called "labor productivity" of each employee.



Materiality [DX]

Rinnai DX Initiatives

We have formulated three key strategies under the Medium-Term Management Plan New ERA 2025: Advancement in addressing social challenges, Expansion of business scale, and Revolution of corporate structure. By utilizing digital transformation (DX), we will ensure the realization of our strategies, including the achievement of numerical targets. We aim to contribute to solving social issues by strengthening our touchpoints with customers and business partners and providing products and services that contribute to improving the quality of life in a timely manner. Furthermore, we will thoroughly review business processes in business and administrative divisions through the use of digital technology, leading to the transformation of the corporate structure and expansion of business scale.



Examples of Initiatives 1

The Rinnai App, which allows users to operate and control bath-filling systems, bathroom heater/dryers, floor heating systems, and panel heaters from their smartphones, can collect product usage and sensor information. By analyzing and utilizing this information, Rinnai will propose ways of using the ecosystems that match the lifestyles of our customers and solve their problems, thereby contributing to the improvement of their quality of life. We will also expand our business domains by offering attractive new services.

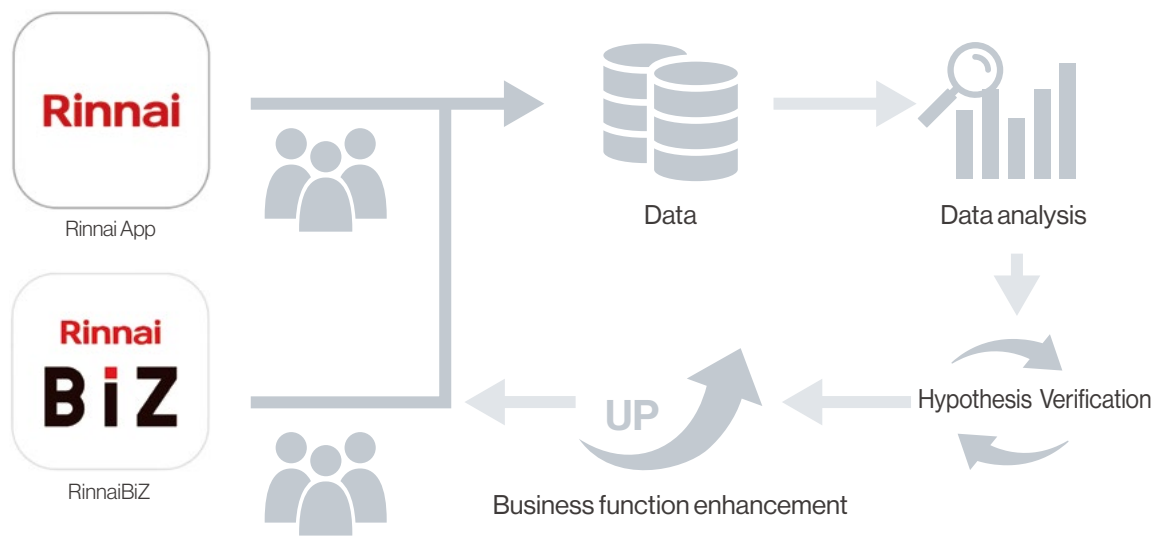


Examples of Initiatives 2

We have released "RinnaiBiZ," a new information communication platform connecting business partners with Rinnai. The site provides the latest product information, replacement and inventory searches, catalog browsing, building information, and other business support services, as well as a variety of content to enhance sales. We will build an optimal cycle of information dissemination, proposals, and business support to enhance profitability by analyzing the information accumulated through daily sales activities and the usage status of RinnaiBiZ.



Rinnai's DX collects various types of information obtained through business activities and repeatedly makes hypotheses and verifies them based on findings from data analysis to improve business functionality. The Company aims to build a virtuous cycle in which the provision of attractive services leads to an increase in the number of users, and in turn an increase in the amount of information that can be obtained further accelerates the upgrading of functionality.



To aggressively promote DX, we are working on the establishment of a framework, human resource development and technology environment, and data management infrastructure. In the promotion structure, members to promote DX are assigned to each of the business and administrative divisions. We have also established a cross-functional project to unite the entire Company.

For human resource development, we have defined "DX business personnel" to lead business transformation and DX technology personnel to create strategies through the use of digital technology as "DX promotion core personnel" and are working to cultivate them. At the same time, we are striving to improve skills Company-wide to ensure that we have the competencies to respond to business models that utilize digital technology. In establishing the technological environment, we are promoting a swift environment build-out and optimizing operations through the use of cloud technology and have begun reviewing the entire system to ensure that it can flexibly respond to new business processes. We also believe that generative AI, which has been evolving rapidly in recent years, is an important technology for improving productivity, and we are creating an environment in which generative AI can be used safely, and promoting its use. Our data management infrastructure is working to build an environmental infrastructure that can accumulate and analyze a variety of information necessary for the creation of new value.

In March 2023, Rinnai obtained certification as a DX-certified business operator under the national Digital Transformation (DX) Certification initiative established by the Ministry of Economy, Trade and Industry. We will continue utilizing digital technologies to embody our brand promise, "Creating a healthier way of living."



Materiality [Suppliers]

Building a Management and Production Structure Facilitating Stable Supplies

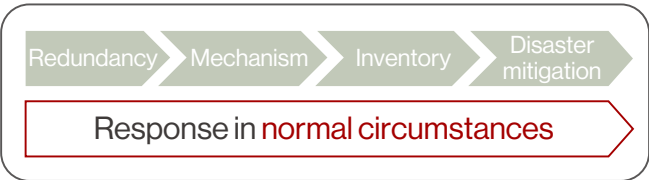
The Noto Peninsula earthquake occurred on January 1, 2024, and it is thought that there is a high probability of a Nankai Trough earthquake occurring within the next few decades. In addition to earthquakes, geopolitical and natural disaster risks are always on the horizon, and we are urgently establishing a stable parts procurement system. To this end, it is extremely important to take action and make efforts to minimize the impact of damage under normal circumstances, before a risk event occurs.

We are working with suppliers to build a stable procurement system through joint initiatives, such as diversifying production bases and raw material procurement sources, maintaining appropriate inventory levels to respond to risk, implementing disaster mitigation measures, and shortening the recovery period.

In fiscal 2025, we are specifically anticipating a Nankai Trough earthquake, and have selected and visited 19 companies predicted to be significantly impacted by this event as we work with suppliers to promote disaster mitigation activities.

We will continue to engage in these activities on an ongoing basis, aiming to achieve the ambitious goal of building a procurement system with zero stockouts, and regardless of risks that may arise in the future, we will continue to vigorously promote these activities going forward.

Building a stable procurement system



Worksite patrol

VOICE



CANOX CORP.
Nagoya Head Office General Manager of
Steel Sheet Department

Kenkichi Hamada

Learning from Numerous Disasters

We have 10 bases nationwide, from Hokkaido to Kyushu, and 12 Group companies that handle processing and logistics.

In the Great East Japan Earthquake, there was damage to factories and offices, and we experienced road network disruptions and rolling blackouts. By sharing these experiences, we are working to ensure safety and formulate recovery plans in the event of a disaster, with BCP based on the idea that these are events that affect us personally, rather than merely something that affects other people. Joint site inspections provided us with advice from new perspectives, and we immediately implemented countermeasures.

We will continue to work with customers to strengthen the foundation of stable supplies by considering what we should be doing now to prepare.

Procurement Policy

Rinnai acts on its basic philosophy, “We provide equal opportunities to all Japanese and foreign companies and evaluate them fairly to procure excellent parts to meet our requirements”.

In our purchasing activities, we will comply with domestic and international laws and regulations and social norms, strive to build mutually beneficial relationships with our suppliers, and actively promote CSR and sustainability initiatives throughout our supply chain with the cooperation of our suppliers.



Basic Philosophy

- 1. We provide equal opportunities to all Japanese and foreign companies and evaluate them fairly for our procurement activities.**
- 2. We shall abide by rules and regulations as well as public morals, and strive to establish a relationship to coexist and pursue mutual prosperity with our business partners.**
- 3. Through our procurement activities, we perform social responsibilities for the environment.**
- 4. We will pursue the products with the best quality and the most appropriate cost.**

Procurement Activity Policy

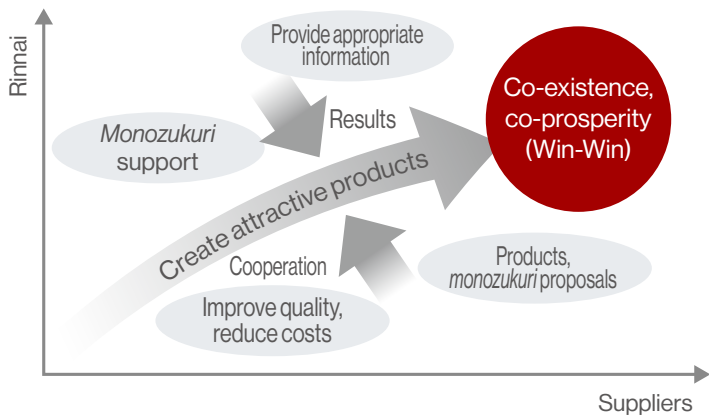
For procurement activities, Rinnai acts on the following specific ideas.

- 1. Procurement at the most appropriate cost through fair procurement activities**
 - Procurement activities should give priority to fairness, and pursue the most appropriate cost based on the market competition principle.
- 2. Pursuit of the best quality**
 - Based on our basic policy for quality management, “Quality is our destiny (our livelihood depends on the quality of our products)”, we shall secure the supply of parts that satisfy our quality requirements to provide our customers with products that they can use without any concern.
- 3. Establishment of a trusting relationship to coexist and pursue mutual prosperity**
 - We shall abide by rules and regulations as well as public morals, and strive to establish a relationship to coexist and pursue mutual prosperity with our business partners.
- 4. Assurance of appropriate delivery period and stable supply**
 - For stable supply of our products to our customers, we try our best to secure parts with adequate delivery schedules.
- 5. Global environment conservation**
 - Based on our slogan for the environment, “We act by consolidating our wisdom to pay attention to the creation of the environment which is friendly to people and the earth.”, we will strengthen our environment conservation activities through the alliance with our business partners. At the same time, we promote environment-friendly procurement activities by facilitating programs such as the procurement of parts with fewer burdens on the environment.
- 6. Responsible Mineral Procurement**
 - We will work to practice responsible mineral procurement, recognizing human rights abuses, labor issues, and environmental destruction in the mining and trade of minerals as important social issues.
- 7. Pursuit of creative technologies**
 - To provide fresh satisfaction, we actively employ parts created with creative and epoch-making technologies.

Materiality [Suppliers]

Rinnai's Stance on Relationships with Its Business Partners

Our suppliers provide us with the raw materials and many of the components that go into the products we make. They are business partners indispensable to the creation of products that attract consumers to the Rinnai name. At Rinnai, we believe that building stable, long-term relationships with our suppliers and growing with them as they grow with us is vital to the creation of better products.



Realization of Fair-and-Square Transactions

In accordance with the Rinnai Code of Conduct in the Rinnai Group Code of Ethics, our supplier acceptance process is applied uniformly, whether the company is a long-time supplier or seeking to become a supplier. Our evaluations are fair, giving equal opportunity to any and all companies with the right stuff, whether at home or abroad. Essentially, the divisions involved in procurement—that is, divisions responsible for technology, quality, and purchasing—consider all factors, including quality, price, and delivery as well as the potential supplier’s technological capabilities, safety, and its environment-oriented activities, in reaching an impartial, well-considered decision.

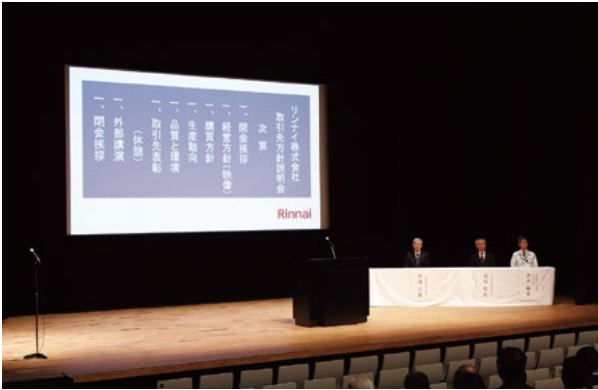
Communication with Business Partners

Rinnai held a policy presentation for suppliers at Winc Aichi (Nakamura-ku, Nagoya) to explain important policies related to Company management and purchasing activities, which was attended by our main supplier companies.

The presentation began with a greeting from President Naito, with divisional heads providing an overview of Rinnai policies on management, production, purchasing, and quality, with the aim of facilitating business partner understanding as well as soliciting their cooperation in ensuring stable production activities. This was also the first time we included an external lecturer, which was well received by many people.



Greeting from President Naito



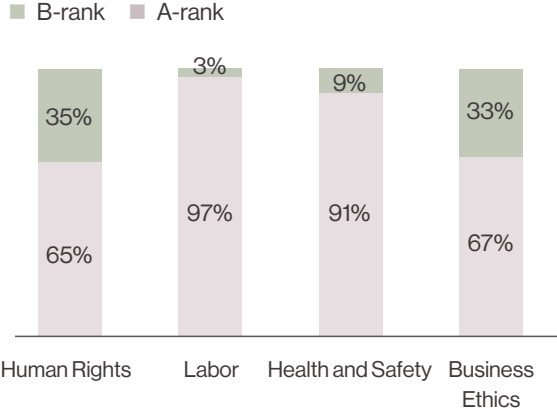
Inside venue

Implementation of CSR Questionnaire

In accordance with the Rinnai Human Rights Policy, which is based on the United Nations Guiding Principles on Business and Human Rights, Rinnai identifies and assesses the negative human rights impacts of its business activities and conducts ongoing human rights due diligence to prevent or mitigate such risks. In fiscal 2024, we requested suppliers to respond to a CSR questionnaire, and received replies from 221 of them (including 175 primary suppliers).

As a result, there were no C-rank suppliers. If any issues are found, we approach the supplier to make corrections. We also conduct audits, including worksite inspections and interviews, as necessary.

Risk Ranking	Score	Explanation
A-rank	80 points or higher	No problems
B-rank	40–79 points	Some items require improvement, but voluntary improvement is possible
C-rank	39 points or lower	Some items require improvement, and immediate improvement and monitoring are required



Responsible Mineral Procurement

To fulfill our social responsibility in procurement activities, Rinnai ensures that payments for minerals (tin, tantalum, tungsten, and gold) used in products are not diverted to finance militant forces involved in civil wars and conflicts that cause serious human rights abuses in conflict and high-risk areas by conducting responsible mineral procurement throughout the entire supply chain.

Promoting responsible mineral sourcing requires due diligence that is undertaken throughout the supply chain. We will ask relevant suppliers to provide information on smelters and refiners through the supply chain and aim to procure from issue-free suppliers.

Rinnai uses industry standard survey forms such as the Conflict Minerals Reporting Template (CMRT) published by the Responsible Minerals Initiative (RMI) as survey tools since responsible mineral surveys require the cooperation of all our business partners, down to smelters and refiners.

Survey of Conflict Minerals

Rinnai conducts surveys regarding conflict minerals for its suppliers. In fiscal 2023, survey forms were collected from 175 suppliers who were requested to participate. Approximately 66% use CFS* equipment. We conduct risk analysis and evaluation, and if risks are detected, we request procurement from smelters and refiners without issues.

* Conflict-free smelter. Smelters and refiners that have been audited and certified as conflict-free.

Materiality [Shareholders and Investors]

Dialogue on Rinnai Initiatives for Medium- to Long-term Business Growth



In April 2024, Rinnai held an IR event at its Oguchi Factory in collaboration with the institutional investor Commons Asset Management, Inc. welcoming investors and their families. On the day of the event, investors in Commons Asset Management’s *Kodomo* (Children’s) Trust and their children experienced “*karakuri* improvement,” a typical example of improvement at the factory.

The *Kodomo* Trust is an account for minors provided by Commons Asset Management, which enables asset building as children grow. The asset management company also provides opportunities for children to participate in its *Kodomo* Trust Seminars. At these events, participants can experience the initiatives of the companies in which the trust has invested, while learning firsthand how investing supports companies. This *Kodomo* Trust Seminar at Rinnai was a great forum for investors, children, and the Company to communicate with each other.



Unlike mechanized systems, a *karakuri* operates based on natural principles without using artificial energy. In our factories, *karakuri* improvements are used to make work easier and eliminate waste without using electricity or other energy sources. Participants were able to experience the principles at work using levers.

After that, they toured the factory and viewed how the *karakuri* improvements that they had experienced are actually used. I believe that the participants were able to gain insight as to how Rinnai is constantly improving its products and delivering them to customers.



Announcement of Rinnai’s year-end financial results

We disclose information in an appropriate, timely, fair, and impartial manner, and engage in IR activities with an emphasis on two-way communication in order to earn the trust of shareholders and investors. In an effort to provide our shareholders and investors with direct updates on our business activities, and to ensure that information is disclosed quickly and fairly, we provide information via channels such as results briefings for analysts and institutional investors (twice a year), biannual shareholder reports, press releases and presentation materials for results briefings on our website, and our IR calendar. Through various opportunities to meet with them, shareholders and investors are able to understand our business growth strategies from a longer-term perspective and to hold expectations for stable shareholder returns.

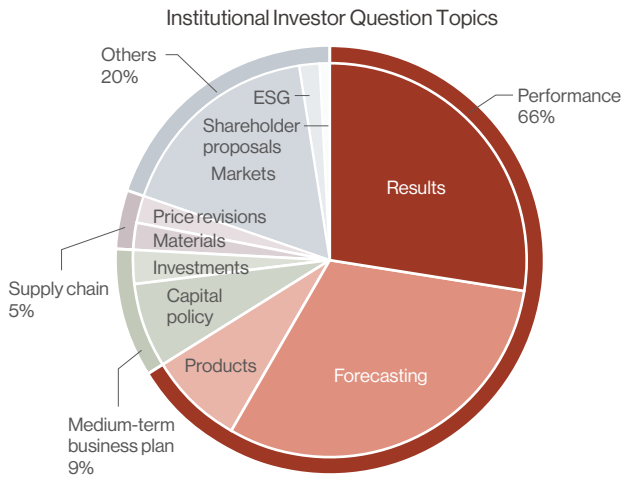
Fiscal 2024 Activities

IR interviews conducted a total of 270 times	Fiscal 2024 interim results briefing (livestream):
One-on-one interviews: (Tokyo: 62; Nagoya: 25)	80 attendees
Telephone interviews: 9 times	Fiscal 2024 year-end results briefing (livestream):
Online coverage: 174 times	100 viewers

Institutional Investor Opinions at Fiscal 2024 Year-End

In addition to customary questions regarding business performance, future outlook, and the status of product sales, at the fiscal 2024 financial results announcement, institutional investors and analysts also touched on also topics such as trends in raw material prices and the effects of price revisions, environmental policies and corresponding measures, and capital investment in carbon neutrality.

There were wide-ranging discussions on capital policy and growth strategy, with many exchanges regarding the use of funds, including share buybacks, dividend increases, and investments. As a result, there seemed to be a lot of attention on how ROE and ROIC will fluctuate in the future.



Materiality [Communicating with Local Communities]

Contributing to Social Education through Community Exchanges

In October 2023, students from Sanno Junior High School in Nagoya visited the Rinnai Head Office, where we conducted a class on the SDGs and provided a hands-on product experience. The visit enabled us to introduce Rinnai's approach to the SDGs and related initiatives.

Rinnai's approach to the SDGs is to contribute to society by popularizing products that "contribute to the environment" and "improve quality of life" throughout the world. Students were provided with an explanation of Rinnai's main products, which contribute to the environment and improve quality of life, and gained an understanding of how these products contribute to society and lead to the achievement of the SDGs.

Through company visits, we hope students will learn that Rinnai is assiduously working to achieve the SDGs, and further, that these activities embody one of the SDGs, "4. Quality Education for All." Going forward, we will continue to value these connections with society so that we can continuously improve the Rinnai brand image.



Introducing Rinnai initiatives to students



Microbubble demonstration

Rinnai Corporation, Actual Results in Fiscal 2024	
<ul style="list-style-type: none"> Nagoya Philharmonic Orchestra Campus Venture Grand Prix, Chubu Area Nagoya Shonen Shojo Hatsumeï Club (Invention and Innovation Youth Club) Keidanren Committee on Nature Conservation Chinese Spring Festival in Nagoya 	<ul style="list-style-type: none"> Green Fund Monozukuri Nihon Conference <i>Choju-no-Kai</i> (Classical Japanese dance) Sponsorship of RoboCupJunior Japan 2023 Donations to Expo 2025 Osaka, Kansai, Japan RoboCup Junior sponsorship
Social Contribution Amounts in Fiscal 2024	
<ul style="list-style-type: none"> Social contribution activities funding: ¥12,900,000 Political donations: ¥760,000 	

Global Social Contribution Activities

■ Mexico (Industrias Mass)

In January 2024, Industrias Mass donated a drinking water treatment equipment to the fire department in the city of Tlaneapantla de Paz, Mexico. There are 18 people working at this fire station, where it is now possible to use the water straight from the tap as drinking water.



Donating the drinking water treatment equipment

■ South Korea (Rinnai Korea)

In May 2024, Rinnai Korea held a marine frogging eco-friendly activity at Bangameori Beach in Ansan. Together with city hall staff, we conducted cleanup activities around Bangameori Beach in Danwon-gu, Ansan.

This cleanup activity was designed to clean up the beach, which is suffering from an ever-increasing amount of trash each year, with a non-designated swimming beach that is not maintained by staff and can only be managed independently by the local government, chosen as the cleanup site.



Seaside cleanup activities

■ China (Shanghai Rinnai)

Shanghai Rinnai participated in the Yunnan Jiangdong Cooperation Project and donated stationery to a junior high school in Yunnan Province. There is a Chinese proverb that says, "It is better to teach someone how to fish than to give them fish," so we combined the provision of donations with lessons on environmental protection to teach the children about the concept of carbon neutrality.



Letter of Appreciation sent to Shanghai Rinnai

■ Taiwan (Rinnai Taiwan)

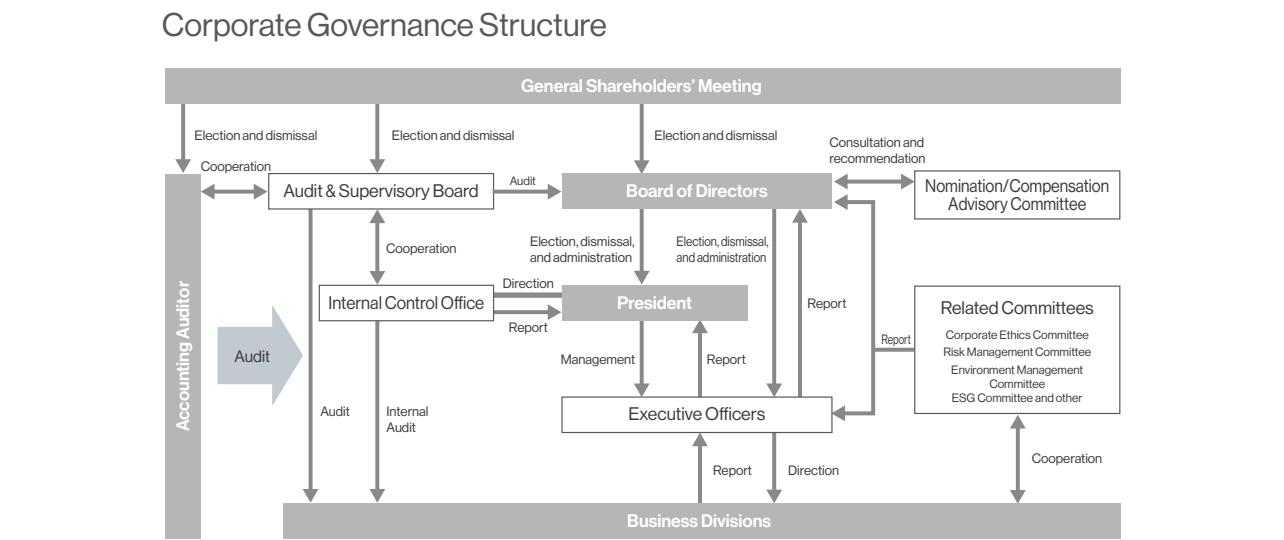
In December 2023, Rinnai Taiwan sent the Rinnai Christmas Love Train to a children's home in southern Taiwan. We delivered handwritten Christmas wish cards to 125 underprivileged children as a token of our appreciation. Thanks to everyone's enthusiasm, wish list gifts and 46-item sets of daily necessities were delivered to children's homes in southern Taiwan on Christmas Eve.



Donating daily necessities to children's homes

Governance

Management Structure



Audit System for Monitoring and Supervising Management

Rinnai recognizes the reinforcement and enhancement of its corporate governance to be important management priorities from the perspectives of strengthening competitiveness and continually improving corporate value of the Group. We aim to conduct highly transparent management by providing swift and precise disclosure of wide-ranging information to all of our diverse stakeholders while endeavoring to enhance the functionality of internal bodies, such as our Board of Directors and Audit & Supervisory Board.

Audit & Supervisory Board members attend Board of Directors' meetings and other important meetings to monitor director and executive organization execution of duties and development and operation of the internal control system. In addition to these duties, external account auditors audit the Company's accounts and verify from a third-party perspective the legality of the internal control system as it relates to financial accounts.

Board of Directors

Rinnai's Board of Directors is comprised of nine members, four of whom are outside directors, and meets once a month in principle. The Board makes decisions regarding major management issues and also oversees business execution by Board members. In addition to resolutions on matters such as M&A deals, the Board of Directors also discusses measures aimed at realizing management that is conscious of capital costs and stock price, evaluates the effectiveness of the Board of Directors, and reports on feedback from dialogues with investors.

Nomination Advisory Board and Compensation Advisory Board

Rinnai established a Nomination Advisory Board and a Compensation Advisory Board comprising a majority of outside independent directors and chaired by outside directors as advisory bodies to the Board of Directors to ensure a higher degree of objectivity and transparency in the process of determining nominations and compensation for senior management and directors. Nominations and compensation of directors and executive officers are discussed by the respective advisory committee, with a final decision made by the Board of Directors.

Remuneration for Directors and Audit & Supervisory Board Members (Fiscal 2024)

Category	Total Remuneration (Millions of yen)	Total Remuneration by Item (Millions of yen)			Recipients (persons)
		Basic component	Annual bonus	Restricted stock	
Directors (including outside directors)	350 (27)	261 (27)	72 (—)	16 (—)	9 (4)
Audit & Supervisory Board members (including outside members)	45 (13)	45 (13)	— (—)	— (—)	5 (2)
Total (including outside members)	396 (41)	307 (41)	72 (—)	16 (—)	14 (6)

Director Compensation System

1. Basic principles on determining compensation for directors

I. Promoting solid corporate value creation over the medium to long term

II. Securing objectivity and transparency to underline our accountability to a broad range of stakeholders, including shareholders

2. Structure of compensation

Compensation for directors consists of a basic component (fixed compensation) and a performance-linked component in a ratio of approximately 60:40 for the purpose of providing a sound motivation for increased corporate value and target achievement. Performance-linked compensation consists of an annual bonus, designed to promote steady attainment of performance targets every fiscal year, and a restricted stock compensation, designed to seek steady improvement of corporate value through sharing interests with shareholders by holding the Company's shares for the medium to long term.

Compensation for outside directors is limited to a basic component (fixed compensation) only, in order to promote proper conduct of their duties to supervise and give advice to management from a position independent of executive management.

The composition of compensation and summary of each component are as follows:

Composition of Compensation

Basic component	Annual bonus	Restricted stock
About 60%	About 20%	About 20%

Annual Remuneration General Summary

- Consisting of a financial evaluation portion (80%) and a nonfinancial evaluation portion (20%)
- The financial evaluation portion varies between 0 and 200% of the standard amount, depending on the degree to which operating income and ROE targets have been achieved.
- The non-financial evaluation portion varies between 0 and 200% of the standard amount, depending on the degree of improvement in employee engagement (+ qualitative evaluations).

Restricted Stock Compensation General Summary

- Fixed + qualitative evaluation (considers total shareholder return)

3. Stock ownership guidelines

Effective the 75th fiscal year (ending March 31, 2025), the Corporation will establish the following guidelines for the number of shares of its stock to be held by directors during their terms of office, with the aim of steadily increasing corporate value and further promoting common interests between directors and shareholders.

- President and representative directors: Shares equivalent to 1.5 times the amount of base compensation by the end of three years after assuming office
- Other directors (excluding outside directors): Shares equivalent to one time the amount of base compensation by the end of three years after assuming office

4. Process of determining compensation

Policies on determining compensation for directors are deliberated objectively at a meeting of the Compensation Advisory Committee, composed of a majority outside directors, and ratified by resolution of the Board of Directors based on the Committee's recommendations. The amount of each director's compensation, including an assessment of a non-financial evaluation portion of annual bonuses and additional delivery of restricted stock based on corporate value evaluation, is determined by deliberation of the Compensation Advisory Committee to which the Board of Directors has resolved to delegate authority.

Deliberations of the Compensation Advisory Committee are conducted from an objective viewpoint and by referring to expertise about compensation systems. Accordingly, information is obtained from an outside expert agency (Willis Towers Watson in fiscal 2024) when necessary. The following are the members of the Compensation Advisory Committee who deliberated policies for the 75th fiscal year and their activities during the fiscal year.

Members

• Takashi Kamio, Outside Director (Chairman of the Committee)

• Kumi Sato, Outside Director

• Tadashi Ogura, Outside Director

• Hiroyasu Naito, President and Representative Director

Activities

- February 29, 2024: Deliberation on revision of policy for determining details of compensation for directors
- May 17, 2024: Discussion of individual director compensation amounts for fiscal 2025
- June 27, 2024: Selection of the Compensation Advisory Committee chairperson and discussion of individual officer compensation amounts for fiscal 2025

Governance

Leadership

(As of June 27, 2024)

Board of Directors

Kenji Hayashi		Representative Director, Chairman of the Board
Career Summary and Current Position in the Corporation:		
Apr. 1972	Joined Rinnai Corporation	Jul. 1992 Managing Director, and General Manager of Related Business Division
Sept. 1978	Director	Jun. 2005 Director, Managing Executive Officer, and General Manager of Related Business Division
Feb. 1980	Director, and General Manager of Corporate Planning Office	Jun. 2006 Representative Director, Vice Chairman of the Corporation
Jun. 1983	Managing Director, and General Manager of Production Technology Division	Apr. 2017 Representative Director, Chairman of the Board (current)

Hiroyasu Naito		Representative Director and President and Executive President
Career Summary and Current Position in the Corporation:		
Apr. 1983	Joined Rinnai Corporation	Jun. 2003 Managing Director, General Manager of Corporate Planning Division and concurrently General Manager of Administration Division
Jun. 1991	Director, Deputy General Manager of Technology Research Headquarters, and concurrently General Manager of New Technology Development Division	Jun. 2005 Director, Managing Executive Officer, General Manager of Corporate Planning Division and concurrently General Manager of Administration Division
Jul. 1998	Director, General Manager of Technology Research Headquarters	Nov. 2005 Representative Director, President and Executive Officer of the Corporation (current)
Jul. 2001	Director, General Manager of Corporate Planning Division and concurrently, General Manager of Administration Division	Current Representation in Other Companies: Outside Director at Nagoya Railroad Co., Ltd.

Tsunenori Narita		Representative Director and Executive Vice President, President's assistant
Career Summary and Current Position in the Corporation:		
Apr. 1967	Joined Rinnai Corporation	Apr. 2009 Director, Executive Vice President; responsible for Research & Development Headquarters, Production Headquarters, Overseas Business Headquarters and Customer Division, and General Manager of Marketing & Sales Headquarters
Jun. 1988	Director, General Manager of Technology Research Headquarters and concurrently General Manager of Quality Guarantee Division	Apr. 2010 Representative Director, Executive Vice President; responsible for Research & Development Headquarters, Production Headquarters, Overseas Business Headquarters and Customer Division, and General Manager of Marketing & Sales Headquarters
Jun. 2001	Managing Director, General Manager of Production Headquarters	Oct. 2010 Representative Director, Executive Vice President; responsible for Research & Development Headquarters, Production Headquarters, Overseas Business Headquarters, and General Manager of Marketing & Sales Headquarters
Jun. 2005	Director, Managing Executive Officer, and General Manager of Production Headquarters	Apr. 2016 Representative Director, Executive Vice President, President's Assistant, in charge of Production Headquarters and Overseas Business Headquarters
Nov. 2005	Director, Managing Executive Officer, in charge of domestic business, and concurrently General Manager of Marketing & Sales Headquarters	Apr. 2018 Representative Director, Executive Vice President, President's Assistant (current)
Apr. 2006	Director, Senior Executive Officer, in charge of domestic business, and concurrently General Manager of Marketing & Sales Headquarters	

Hideyuki Shiraki		Director, Senior Managing Executive Officer
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1989	Joined Rinnai Corporation	Apr. 1985 Joined Rinnai Corporation
Apr. 2017	Executive Officer, General Manager of Kanto Branch Office, Marketing & Sales Headquarters	Apr. 2008 Vice President of Rinnai Korea Corporation
Apr. 2019	Executive Officer, Deputy General of Marketing & Sales Headquarters, concurrently, General Manager of Kanto Branch Office	Jun. 2012 President of Rinnai Precision Co., Ltd.
Jun. 2020	Managing Executive Officer, General Manager of Marketing & Sales Headquarters	Apr. 2016 Executive Officer of the Corporation, General Manager of Production Control Division, Production Headquarters
Apr. 2023	Senior Managing Executive Officer, General Manager of Marketing	Apr. 2017 Executive Officer, Deputy General Manager of Production Headquarters
Jun. 2023	Director, Senior Managing Executive Officer, General Manager of Marketing (current)	Apr. 2018 Executive Officer, General Manager of Production Engineering Headquarters
		Apr. 2021 Managing Executive Officer, General Manager of Production Engineering Headquarters
		Apr. 2023 Senior Managing Executive Officer, General Manager of Production Engineering Headquarters
		Jun. 2023 Director, Senior Managing Executive Officer, General Manager of Production Engineering Headquarters (current)

Takashi Kamio		Outside Director, Independent Officer
Career Summary and Current Position in the Corporation:		
Apr. 1965	Joined Toyota Motor Co., Ltd.	Apr. 1975 Joined Nippon Toki Co., Ltd. (currently, NORITAKE CO., LIMITED)
Jun. 1996	Director at Toyota Motor Corporation	Jun. 2005 Director at NORITAKE CO., LIMITED
Jun. 1999	Managing Director at Toyota Motor Corporation	Apr. 2008 Director, & Managing Executive Officer at NORITAKE CO., LIMITED
Jun. 2001	Senior Managing Director at Toyota Motor Corporation	Jun. 2010 Director, & Senior Managing Executive Officer at NORITAKE CO., LIMITED
Jun. 2005	Senior Advisor at Toyota Motor Corporation	Jun. 2011 Director & Vice President, Executive Officer at NORITAKE CO., LIMITED
	President at Towa Real Estate Co., Ltd. (currently, Toyota Fudosan Co., Ltd.)	Apr. 2012 Representative Director & Vice President, Executive Officer at NORITAKE CO., LIMITED
Jun. 2006	Director at Nakanihon Kogyo Co., Ltd.	Jun. 2013 Representative Director & President, Executive Officer at NORITAKE CO., LIMITED
May 2010	Advisor at Toyota Motor Corporation	Jun. 2018 Representative Director & Chairman at NORITAKE CO., LIMITED (current)
Jun. 2010	Senior Advisor at Towa Real Estate Co., Ltd. (currently, Toyota Fudosan Co., Ltd.)	Jun. 2021 Outside Director at Meiko Trans Co., Ltd. (current)
Jun. 2011	Audit & Supervisory Board Member at Central Nippon Expressway Company Limited	Jun. 2023 Outside Director, Rinnai Corporation (current)
Jun. 2016	Outside Director, Rinnai Corporation (current)	
Current Representation in Other Companies: Chairman of Sasaeai, specified nonprofit corporation		

Yoko Dochi		Outside Director, Independent Officer
Career Summary and Current Position and Responsibility in the Corporation:		
Apr. 1987	Joined The Bank of Tokyo, Ltd. (currently, MUFG Bank, Ltd.)	Apr. 1989 Editor-in-chief and publisher of an English-language magazine "AVENUES"
Sept. 1996	Joined World Bank Group (WBG)	2005 Producer, Friendship Film Festival of the 2005 World Exposition, Aichi, Japan
May 2001	Joined Toyota Motor Europe S.A./N.V.	Apr. 2012 Professor, Faculty of Global and Media Studies, Kinjo Gakuin University
Jan. 2015	General Manager of Global Treasury and Investor Relations at Toyota Motor Europe S.A./N.V.	Apr. 2014 Event Director, Aichi International Women's Film Festival (Aichi Gender Equality Foundation)
Mar. 2018	In charge of Investors Relations and Accounting Division, and Stock Group at Toyota Motor Corporation	Apr. 2021 Professor, Faculty of Technology, International Professional University of Technology in Nagoya (current)
Nov. 2018	Joined SoftBank Group Corp. Managing Director, in charge of Finance, General Manager of Investor Relations	Jun. 2024 Outside Director, Rinnai Corporation (current)
Feb. 2020	Joined SoftBank Group International Managing Partner, Head of Investor Relations	Current Representation in Other Companies: Professor, Faculty of Technology, International Professional University of Technology in Nagoya
Jun. 2020	Outside Director of NIPPO LTD. (current)	
Jun. 2023	Outside Director, Rinnai Corporation (current)	
Mar. 2024	Outside Audit & Supervisory Board Member at Kirin Holdings Company, Limited (current)	
Current Representation in Other Companies: Outside Director of NIPPO LTD. Trustee of Daiwa Anglo-Japanese Foundation Outside Audit & Supervisory Board Member at Kirin Holdings Company, Limited		

Audit & Supervisory Board Members

Masanori Shimizu		Standing Audit & Supervisory Board Member
Career Summary and Current Position in the Corporation:		
Apr. 1984	Joined Rinnai Corporation	Apr. 1986 Joined Rinnai Corporation
Apr. 2016	Executive Officer, General Manager of Technology Development Division, Research & Development Headquarters	Apr. 2018 General Manager of Accounting Division
Apr. 2021	Executive Officer, Deputy General Manager of Quality Assurance Headquarters, concurrently General Manager of Quality Assurance Division	Apr. 2021 Executive Officer, General Manager of Accounting Division
Apr. 2022	Senior Executive Officer, General Manager of Quality Assurance Headquarters	Apr. 2024 Assistant to Chief of Corporate Management Headquarters
Jun. 2023	Standing Audit & Supervisory Board Member (current)	Jun. 2024 Standing Audit & Supervisory Board Member (current)

Masaaki Matsuoka		Outside Independent Audit & Supervisory Board Member
Career Summary and Current Position in the Corporation:		
Sept. 1976	Registration of a certified public accountant	Apr. 1978 Registration of attorney
Jul. 1988	Partner at Deloitte Tohmatsu LLC (Now, Deloitte Touche Tohmatsu LLC)	Joined Saij & Ohta Law firm
Jun. 2014	Retired from Deloitte Touche Tohmatsu LLC	Jun. 1991 Established Ohta & Watanabe Law firm (currently, TRUTH & TRUST Law Office) (current)
Jul. 2014	Established Masaaki Matsuoka CPA office (current)	Jun. 2016 Audit & Supervisory Board Member (current)
Jun. 2016	Audit & Supervisory Board Member (current)	

Current Representation in other companies President of Masaaki Matsuoka CPA office Audit & Supervisory Board Member at Kanemi Co., Ltd. Outside Audit & Supervisory Board Member at Mitachi Co., Ltd.		Current Representation in other companies President of TRUTH & TRUST Law Office Outside Director at Howa Machinery, Ltd. (Audit and Supervisory Committee Member)
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Executive Officers (excluding concurrent directors)

Managing Executive Officer	Chuji Nakashima	General Manager of Quality Assurance Headquarters
Managing Executive Officer	Hirohisa Ooi	General Manager of Production Headquarters
Managing Executive Officer	Takuya Ogawa	General Manager of Corporate Planning Headquarters
Managing Executive Officer	Yoshihiko Takasu	General Manager of Research & Development Headquarters
Managing Executive Officer	Hayao Nishizawa	General Manager of Overseas Business Headquarters and General Manager of Second Sales Division
Executive Officer	Katsunori Tanioka	Deputy General Manager of Marketing & Sales Headquarters and General Manager of Sales Division
Executive Officer	Hiroyuki Hoyano	General Manager of Kanto Branch, Marketing & Sales Headquarters
Executive Officer	Daisuke Naito	Deputy General Manager of Overseas Business Headquarters

Governance

Skills Matrix of Directors

	Corporate management	Global management	Technology <Development/ Production/ Environment (E)>	Business Plans/ Marketing	Finance/ Accounting/ Capital Policy	Human Resources Strategy (S)	Governance (G)/ Legal matters/ Risk management	Sustainability	IT/Digital Transformation (DX)
Kenji Hayashi	●	●	—	—	●	●	●	—	—
Hiroyasu Naito	●	●	●	—	●	—	—	●	—
Tsunenori Narita	●	—	●	●	—	●	—	—	—
Hideyuki Shiraki	—	—	—	●	—	●	—	—	●
Kazuto Inoue	—	●	●	—	—	—	—	—	●
Takashi Kamio	●	●	—	●	—	—	●	—	—
Tadashi Ogura	●	—	●	—	—	●	●	—	—
Yoko Dochi	—	●	—	—	●	—	●	●	—
Kumi Sato	—	●	—	—	—	●	—	●	●

* This table does not show all of the skills possessed by each Director.

Reasons behind Selecting Eight-Point Skills Matrix

Skill items	Reasons for selecting items (Requirements for achieving the medium-term business plan "New ERA 2025")
Corporate management	It is vital for Rinnai, which seeks to address global social challenges through core technologies under the business themes of "heat and lifestyles" and "health and lifestyles," to have directors who possess a wealth of knowledge in consumer services as well as management experience at manufacturing companies, research facilities and other organizations.
Global management	Rinnai must have directors who possess overseas business management experience and a deep understanding of and involvement at the local level, that is, the local lifestyle and culture and the environment, to support business expansion in global markets, particularly Japan, the United States and China, and to support sustainable growth.
Technology <Development/Production/Environment (E)>	Basic research into the use of all sorts of energy sources and component development as well as measures to maintain a highly reliable production system are essential to an expanded lineup of products that contribute to "heat and lifestyles" and "health and lifestyles," and Rinnai must therefore have directors with demonstrated knowledge and experience in development, production and the environment.
Business Plans/Marketing	Rinnai must have directors with demonstrated knowledge and experience in business planning and marketing to gather information on the real needs of consumers and develop product planning and sales planning matched to these needs, and to reinforce business activities related to direct sales.
Finance/Accounting/Capital Policy	Rinnai must have directors with demonstrated knowledge and experience in financial, accounting and capital policy disciplines for optimum allocation to strategic investments, return to shareholders and risk-responsive capital from the current added-value and profit-emphasis management perspective as well as a medium-term perspective.
Human Resources Strategy (S)	Rinnai must have directors with solid knowledge and experience in human resource strategy and development to reform its human resource system to support employees' challenges and self-realization, propose new workstyles and improve brand power, and solidify the foundation for sustainable growth.
Governance (G)/Legal matters/Risk management	Rinnai must have directors with demonstrated knowledge and experience in corporate governance, risk management and legal matters to maintain the appropriate global governance structure and keep business activities going in a fair and equitable workplace environment.
Sustainability	Directors with solid knowledge and experience in the field of ESG and sustainability are needed to solve social issues as well as to incorporate them into business activities as earnings opportunities toward the realization of a sustainable society.
IT/Digital Transformation (DX)	Rinnai must have directors with demonstrated knowledge and experience in IT and DX, not only to promote digital transformation throughout the Corporation but also to establish an information infrastructure to thwart cyberattacks and to utilize leading-edge information technologies.

Message from a Newly Appointed Outside Director



Kumi Sato
Outside Director

As the editor-in-chief and publisher of an English-language magazine, I have worked with many foreign journalists. In conducting interviews with them and completing articles introducing Japan, I learned that respecting each other’s culture and history is the first step towards understanding different cultures.

At present, there are approximately 3.4 million foreigners living in Japan, accounting for 2.5% of the total population, but it is estimated that this ratio will rise to 12.4% in 2070, around 50 years from now, meaning that there will be more than one foreigner for every ten Japanese people. At the same time, the rapid decline in Japan’s population and the aging of its society on the economy and nation is viewed as a problem. It is important to build an attractive future for Japan together with people from various cultural backgrounds who live in Japan. In this sense, Rinnai is required to develop products while remaining cognizant of the many foreign residents in Japan.

The university where I teach has a policy of cultivating “designers in society.” In my classes, I teach about the kind of society that the SDGs are aiming for. The SDGs focus on both economic developments, as well as on tackling environmental and social issues in a balanced way, and aim to sustain the world through fundamental solutions. In class, students are asked to present ideas that utilize the digital technologies they are studying at university to resolve these social issues and serve as models for growing new businesses. I hope that this will be a step toward students acquiring a management perspective based on the SDGs. Rinnai, which aims to “contribute to the resolution of social issues,” would also like to help from the perspective of developing global human resources well-versed in digital transformations (DX).

In addition to the SDGs, “well-being” is attracting attention around the world as the next target on the way toward achieving the 2030 goal. Well-being refers to a “physical, mental, and socially healthy state,” and is considered an indicator of human wealth and satisfaction that cannot be measured by economic indicators alone. Rinnai’s corporate mission since its founding has been to provide society with comfortable living through heat, and I think Rinnai products deliver well-being to customers. At the same time, this concept also represents a more proactive pursuit of Rinnai employee happiness. There are various benefits for companies, such as retaining human resources and improving productivity, and for employees, the benefits include improved engagement and job satisfaction. I would like to help share this corporate philosophy and create a multicultural environment so that people from diverse backgrounds can work together with enthusiasm.

Rinnai clearly defines its brand promise as “Creating a healthier way of living” with the aim of “realizing healthy and comfortable lifestyles and sustainable societies.” The world is moving strategically towards energy transitions and decarbonization, giving rise to innovations in energy technologies. I want to support and contribute to Rinnai so the Company can continue taking on new challenges with shrewd yet flexible strategies while carefully assessing the changing circumstances and remaining true to their brand promise.

Governance

Compliance

Rinnai thoroughly instills compliance in all its executives and employees to ensure it is a sound corporate group that is trusted by society. We are enhancing our corporate culture of compliance and creating an environment in which all executives and employees can fulfill their social responsibilities and approach their work in a forward-looking manner.

Rinnai Group Code of Ethics

The Rinnai Group has compiled behavioral standards that all executives and employees must obey in the “Code of Ethics,” a small booklet that includes the “Rinnai Code of Conduct” as a guideline for specific daily activities.

In addition, an English-language version of the “Code of Ethics” is issued to Group companies, and in countries where the official language is not English, the manual is translated into the local language of that country.

Each year, Rinnai conducts Code of Conduct awareness activities for all Group employees including those outside of Japan.

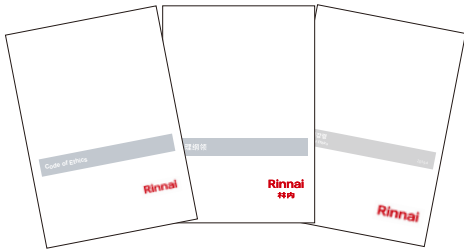
Furthermore, in Japan we have created the “Rinnai Code of Conduct Guidebook” as a tool to deepen understanding of the content in the “Rinnai Code of Conduct” and we also implement tests using e-learning to confirm the level of understanding.



Code of Ethics summary awareness meeting (Rinnai Holdings)



Code of Ethics summary awareness meeting (Rinnai (Viet Nam))



Rinnai Group Code of Ethics (English, Chinese and Korean versions)



Rinnai (South Korea) written pledges

Compliance Education Activities

Rinnai conducts compliance education during employee training for new recruits and by rank, with 254 employees attending in fiscal 2023. We also provided education for all employees with regard to compliance in their private lives, including the use of social media services. Further, we posted information on legal revisions, explanations of laws related to business operations, and examples of violations by other companies on the Company intranet to provide a variety of information to Group company employees in Japan.

Confirmation and Modification of Compliance Activities

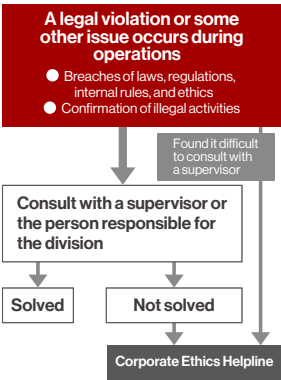
Every year, we conduct employee questionnaires to ascertain how deeply ingrained elements of our Corporate Philosophy have become. In fiscal 2023, these showed that 99.8% of respondents were familiar with the Company Motto, 98.7% of respondents recognized Rinnai Brand Promise, and 96.8% understood our Corporate Mission.

We will continue to actively promote compliance activities to maintain these high levels.

Facilitation of Internal Reporting System

In the event it is confirmed that a domestic Group employee or a former employee in their first year of retirement has violated laws, regulations, internal rules, or engaged in misconduct, or is likely to engage in these actions, and it is difficult to report to or consult with a supervisor or divisional head, employees can utilize the Corporate Ethics Helpline internal reporting system. Established in November 2005, the Helpline accepts inquiries from within and outside the Company. In this system, we stipulated that the person who reported the incident will not receive any unfair treatment by the fact that he or she reported the matter, and we also pay full attention to the protection of privacy of the person who made the report.

In fiscal 2023, the helpline received 16 reports and requests for advice. Appropriate measures have been taken, including investigation and confirmation of the facts in these cases of alleged misconduct



Governance

Disciplinary Actions

In order to maintain an appropriate work environment, disciplinary action is imposed on those who violate work rules and internal regulations.

In particular, in cases of severe disciplinary action, the Disciplinary Committee will meet to take strict measures. Furthermore, for the purpose of preventing recurrence, violations and results of disciplinary actions are disclosed every year in the Company newsletter, except for information that identifies individuals.

Compliance Violations

In fiscal 2023, there were no serious compliance violations.

Protecting Personal Information

Rinnai has established internal rules based on the Act on the Protection of Personal Information. We also established a Privacy Policy as a guideline for handling personal information that is published on our website (<https://www.rinnai.co.jp/en/policy/privacy/>). Through these efforts, we strive to properly manage, use and protect personal information.

Specifically, a Personal Information Protection Manager is appointed at the Head Office to maintain and teach internal rules. Personal Information Protection Committee members are assigned in each workplace and domestic Group company to provide guidance on methods and procedures to the person in charge of handling personal information.

In addition, a Personal Information Protection Committee member conducts internal audits once each year under the direction of the Personal Information Protection Manager regarding the management status of personal information in each workplace.

In fiscal 2023, there were no personal information leakage incidents.

Basic Principles of the Internal Control System

Seeking to reinforce our management system and fulfill our social responsibilities, we established an internal control system with the following aims:

- (1) To enhance the stability and efficiency of business operations;
- (2) To ensure the reliability of financial reports;
- (3) To comply with laws and regulations affecting business operations and internal regulations;
- (4) To maintain assets

Internal control reports (See: <https://www.rinnai.co.jp/ir/internal/>) (in Japanese only)

Information Disclosure

In addition to the formulation of internal rules for the timely and appropriate disclosure of important information concerning the Group, Rinnai created a disclosure policy that is published on our corporate website as a guideline for information disclosure.

Disclosure policy (See: <https://www.rinnai.co.jp/en/ir/disclosure/>)

Executive Structure

We have introduced an executive officer system in order to create a flexible management structure capable of responding swiftly to changes in the business environment. Some directors, from the President down, serve concurrently as executive officers, and their role is to convey the details of decisions made by the Board of Directors to the managers of the divisions responsible so that they can be implemented. Quarterly Companywide management meetings and individual management meetings are also held to confirm how business is progressing and to share information on the challenges faced.

Governance

Risk Management

Risk Management Policy

As society becomes increasingly complex, companies face a variety of risks. As a manufacturer of thermal energy equipment that supports people's daily lives, we believe it is our social responsibility to continue to provide products in a stable manner. We are committed to risk management to live up to the trust of our customers and society and to conduct stable business activities.

Promotion Structure

Rinnai's Risk Management Committee is comprised mainly of executive officers and divisional heads with the President serving as Chairman. The Risk Management Committee identifies risks that may affect life, Rinnai's reputation, business activities, and assets, and prepares a List of Material Risks, which evaluates the importance of each item in terms of magnitude of impact and potential frequency of occurrence. The Committee also determines which business divisions have a primary responsibility for each type of risk. These divisions discuss and work on developing mechanisms to prevent risks from materializing, rapidly resolve crises, minimize any damage that may occur as a result, and prevent recurrences. The Committee works with all divisions and Group companies to mitigate risks and enhance risk response capabilities.

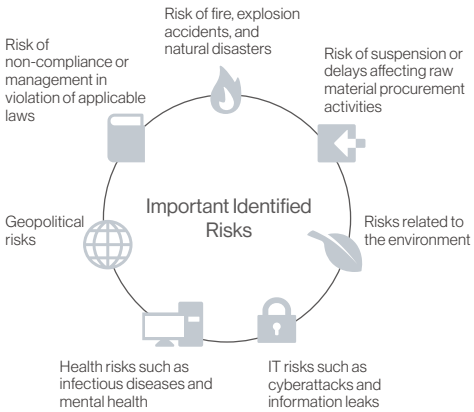
Material Risks (Excerpted)		
Management Risk	<ul style="list-style-type: none"> • Compliance • Product accident defects • Labor-related • Environment 	<ul style="list-style-type: none"> • Intellectual property • Supply chain • Market environment, etc.
Financial Risk	<ul style="list-style-type: none"> • Foreign exchange rates 	<ul style="list-style-type: none"> • Taxation, etc.
Accident and Disaster Risk	<ul style="list-style-type: none"> • Production shutdowns, etc. 	
IT Risk	<ul style="list-style-type: none"> • Cyberattacks 	<ul style="list-style-type: none"> • Information leakage, etc.
Health Risk	<ul style="list-style-type: none"> • Infectious diseases 	<ul style="list-style-type: none"> • Mental health, etc.
Country Risk	<ul style="list-style-type: none"> • Geopolitical risk, etc. 	

Promotion of Business Continuity

In the event of a major risk such as a natural disaster, fire, or infectious disease materializing, we envision that business operations may be suspended for a long time, resulting in significant losses and having a serious impact on stakeholders. We position cases where there is a risk of interruption in the manufacture or supply of products vital to customers as important issues for business continuity management and are formulating and reviewing business continuity planning (BCP).

Response to Natural Disasters

Rinnai's business sites are concentrated in the Chubu region. To prepare for a Nankai Trough Mega Earthquake that is said to occur within the next 30 years, we are promoting Companywide seismic and disaster prevention measures and reviewing our BCP. In addition, all employees participate in annual drills using the safety confirmation system.



Information Security

As a company that operates internationally, we are working to improve information security measures throughout the entire Rinnai Group worldwide, including domestic Group companies as well as overseas consolidated subsidiaries.

Information Security Policy

In accordance with the Rinnai Group Information Security Policy, we established policies regarding the development of internal rules, promotion systems, the implementation of information security measures, enlightenment, education, training and continuous improvements, and we are unifying the direction of information security measures throughout the Group.

Amid necessary preparations for cyberattacks, we are working daily to further strengthen information security measures throughout the entire Group in accordance with these policies.

Information Security System Maintenance

Rinnai has a system in place that facilitates the execution of information security measures throughout the entire company.

We have appointed Information Security Managers at each business site who work closely with the IT Security Office to ensure the smooth implementation of information security measures.

Further, we regularly hold Information Security Measures meetings consisting of employees involved in information security. We strive to enhance information security by conducting discussions and sharing information on information security measures.

Implementation of Information Security Measures

To combat intensifying cyberattacks, Rinnai has implemented countermeasures targeting computer viruses and unauthorized access and has also strengthened attack e-mail filters. Our efforts to detect cyberattacks include collaborating with third-party security specialists to establish an information security monitoring system. In addition, we focus on our response and recovery measures in case of an attack.

We also have a third party conduct assessments to evaluate the level of our information security measures. To prevent damage from cyberattacks, we will ascertain conditions from an objective perspective and promptly address any issues that arise as we work daily to improve our response and recovery measures in the event of an attack.

Governance

Information Security Education and Training Activities

The Rinnai Group conducts information security education every year to ensure that all employees are fully aware of the importance of information security measures and properly handle information assets used in business activities. Face-to-face information security education incorporates representative topics as themes.

We also provide e-learning to all employees who use personal computers. We regularly post videos of educational content to make it easier for employees to learn.

Information Security Training

The Rinnai Group regularly conducts cyberattack email training in an effort to hone employee experience so that we can respond promptly when problems related to information security occur.



Information security education

ISMS certification (ISO 27001)

In order to objectively evaluate information security initiatives, Rinnai's Product Inspection Center acquired ISMS certification (ISO 27001). To facilitate even more appropriate handling of important information from customers, we created an information security management system and promote ongoing improvements to information security countermeasures.

Currently, we are gradually rolling out ISMS in each organization, and promoting continuous improvements to information security countermeasures.

Data Collection

Eleven-Year Financial Summary

		FY2014	FY2015 ^{*1}	FY2016 ^{*1}	FY2017 ^{*1}		FY2018 ^{*1}	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	(Millions of yen)	286,981	295,022	319,935	330,256		347,071	348,022	340,460	344,364	366,185	425,229	430,186
Operating income	(Millions of yen)	34,018	30,787	34,593	34,056		32,849	30,879	34,422	40,690	35,864	41,418	39,362
Operating income margin	(%)	11.9	10.4	10.8	10.3		9.5	8.9	10.1	11.8	9.8	9.7	9.2
Ordinary income	(Millions of yen)	36,910	32,938	35,807	35,280		34,286	33,318	35,679	42,400	39,060	44,565	46,071
Net income attributable to owners of the parent company	(Millions of yen)	23,254	20,647	22,710	22,322		21,194	20,480	21,561	27,581	23,748	26,096	26,667
Total net assets	(Millions of yen)	232,635	261,414	271,709	290,638		307,965	320,696	340,959	371,318	378,856	407,199	437,438
Total assets	(Millions of yen)	334,382	355,140	368,084	402,107		422,422	430,885	450,486	497,291	512,867	547,114	577,088
Net assets per share	(Yen)	1,415.16	1,580.81	1,641.41	1,748.54		1,863.06	1,939.93	2,046.84	2,220.13	2,296.59	2,487.60	2,707.86
Net income per share	(Yen)	151.58	132.34	145.57	143.09		136.80	132.82	139.83	178.87	156.80	176.92	184.75
Equity ratio	(%)	66.0	69.4	69.6	67.8		68.0	69.4	70.1	68.8	66.9	66.6	67.2
Return on equity	(%)	11.8	8.8	9.0	8.4		7.6	7.0	7.0	8.4	6.9	7.4	7.1
Cash flows from operating activities	(Millions of yen)	36,453	25,671	36,066	39,554		29,914	29,479	37,694	49,491	28,696	19,387	43,347
Cash flows from investing activities	(Millions of yen)	(32,908)	(23,649)	(17,770)	(17,732)		(12,190)	(7,288)	(7,124)	(15,820)	(25,486)	(30,087)	(19,968)
Cash flows from financing activities	(Millions of yen)	13,183	(8,659)	(6,554)	(5,217)		(11,725)	(6,150)	(6,436)	(7,269)	(27,109)	(21,313)	(23,664)
Cash and cash equivalents at end of year	(Millions of yen)	74,279	69,340	79,600	95,297		101,697	116,133	140,138	166,524	147,972	120,213	123,829
Capital expenditures	(Millions of yen)	12,439	13,774	16,938	20,664		16,105	13,481	10,580	13,301	22,682	26,521	41,114
Research and development expenses	(Millions of yen)	8,380	8,895	9,113	9,340		9,918	9,503	9,308	11,802	12,762	13,458	14,302
Dividends	(Yen)	22.6	25.3	27.3	28.6		30.0	31.3	32.6	41.6	46.6	53.3	60.0
Payout ratio	(%)	15.0	19.1	18.8	20.0		21.9	23.6	23.4	23.3	29.8	30.1	32.5
Number of outstanding shares	(Shares)	156,649,389	156,649,389	156,649,389	156,649,389		154,849,389	154,849,389	154,849,389	154,849,389	150,063,171	150,063,171	146,677,171
Closing price at the end of the period	(Yen)	3,023	2,970	3,313	3,077		3,367	2,610	2,550	4,130	3,057	3,235	3,484
Market capitalization	(Millions of yen)	473,603	465,249	519,032	481,958		521,326	404,157	394,866	639,528	458,693	485,454	511,023

^{*1} We have applied the Partial Revisions to Accounting Standards for Tax Effect Accounting (Corporate Accounting Standards No. 28, February 16, 2018) since fiscal 2019. As such, figures for fiscal 2015–fiscal 2018 have been adjusted to retroactively apply said accounting standards.

^{*2} On April 1, 2023, we conducted a three-for-one stock split of our common stock. Performance prior to the stock split is shown based on the post-split conversion.

Data Collection

Eleven-Year Financial Summary (By segment)

(Millions of yen)			Year ended March 31, 2014 (FY2014)	Year ended March 31, 2015 (FY2015)	Year ended March 31, 2016 (FY2016)	Year ended March 31, 2017 (FY2017)	Year ended March 31, 2018 (FY2018)	Year ended March 31, 2019 (FY2019)	Year ended March 31, 2020 (FY2020)	Year ended March 31, 2021 (FY2021)	Year ended March 31, 2022 (FY2022)	Year ended March 31, 2023 (FY2023)	Year ended March 31, 2024 (FY2024)
Profit and loss by segment	Japan	Net sales	194,574	176,087	178,781	189,036	186,779	180,821	181,072	183,136	171,533	196,838	192,354
		Operating income	27,328	21,006	23,007	22,305	18,228	17,390	20,703	24,544	17,439	23,597	17,965
	United States	Net sales	15,487	17,754	22,602	23,504	27,738	30,390	33,133	36,971	44,752	55,750	57,875
		Operating income	845	1,020	1,817	1,661	2,207	1,491	1,939	2,177	2,108	313	(1,197)
	Australia	Net sales	15,233	15,310	23,092	21,468	23,479	24,921	23,652	24,311	25,764	27,655	30,338
		Operating income	2,336	1,345	1,148	1,249	1,580	1,509	392	911	1,620	1,180	1,245
	China	Net sales	19,088	25,353	31,966	35,962	44,294	46,009	44,226	41,160	52,778	66,150	71,886
		Operating income	1,589	2,108	2,659	3,069	5,045	4,989	6,410	6,667	6,752	10,569	12,146
	South Korea	Net sales	26,799	31,928	33,888	32,455	34,739	32,953	27,695	28,358	32,124	32,094	31,874
		Operating income	577	1,457	1,499	920	811	112	(17)	141	1,041	705	16
	Indonesia ^{*1}	Net sales	–	11,165	11,038	10,737	11,486	12,136	10,699	11,248	13,587	16,203	14,913
		Operating income	–	1,300	1,320	1,901	1,799	1,686	1,600	2,423	2,826	2,400	2,745
Sales by product in each segment ^{*2}	Others	Net sales	15,797	17,421	18,567	17,090	18,553	20,789	19,979	19,177	25,644	30,537	30,943
		Operating income	1,864	2,455	2,799	2,712	2,878	3,344	2,976	2,881	4,280	4,875	4,361
	Total	Net sales	286,981	295,022	319,935	330,256	347,071	348,022	340,460	344,364	366,185	425,229	430,186
		Operating income	34,018	30,787	34,593	34,056	32,849	30,879	34,422	40,690	35,864	41,418	39,362
	Japan	Water heaters	–	–	–	–	–	94,640	92,192	91,343	81,836	103,511	98,467
		Kitchen appliances	–	–	–	–	–	59,279	60,502	61,192	55,861	57,117	58,011
		Conditioning appliances	–	–	–	–	–	6,378	6,028	5,805	6,189	6,673	6,431
		Commercial-use equipment	–	–	–	–	–	2,079	1,956	1,794	2,053	2,107	2,286
		Others	–	–	–	–	–	18,442	20,393	23,001	25,591	27,428	27,156
	United States	Water heaters	–	–	–	–	–	27,800	30,118	33,825	40,761	50,554	51,166
		Kitchen appliances	–	–	–	–	–	–	–	–	–	–	–
		Conditioning appliances	–	–	–	–	–	2,121	2,193	2,247	2,521	2,776	3,213
		Commercial-use equipment	–	–	–	–	–	143	83	147	56	259	354
		Others	–	–	–	–	–	325	737	750	1,412	2,159	3,140
	Australia	Water heaters	–	–	–	–	–	11,643	10,898	11,386	12,631	13,557	15,679
		Kitchen appliances	–	–	–	–	–	–	–	–	–	–	–
		Conditioning appliances	–	–	–	–	–	10,043	9,704	10,007	10,250	10,327	10,400
		Commercial-use equipment	–	–	–	–	–	424	643	676	899	1,522	1,973
		Others	–	–	–	–	–	2,810	2,405	2,239	1,983	2,248	2,285
	China	Water heaters	–	–	–	–	–	39,813	37,326	34,576	45,965	59,441	66,467
		Kitchen appliances	–	–	–	–	–	4,890	5,362	4,708	4,702	4,951	3,792
		Conditioning appliances	–	–	–	–	–	–	–	–	–	–	–
		Commercial-use equipment	–	–	–	–	–	–	121	79	167	83	–
		Others	–	–	–	–	–	1,305	1,416	1,796	1,942	1,674	1,626
	South Korea	Water heaters	–	–	–	–	–	17,260	14,250	14,090	16,418	15,885	15,438
		Kitchen appliances	–	–	–	–	–	7,833	6,052	6,953	6,690	7,234	7,175
		Conditioning appliances	–	–	–	–	–	187	163	94	–	–	–
		Commercial-use equipment	–	–	–	–	–	4,255	4,054	3,819	4,028	4,498	4,651
		Others	–	–	–	–	–	3,416	3,175	3,400	4,987	4,476	4,608
	Indonesia	Water heaters	–	–	–	–	–	–	–	–	–	106	151
		Kitchen appliances	–	–	–	–	–	10,819	9,198	10,148	11,758	13,761	12,669
		Conditioning appliances	–	–	–	–	–	–	–	–	–	–	–
		Commercial-use equipment	–	–	–	–	–	1,145	1,331	894	1,442	1,822	1,513
		Others	–	–	–	–	–	171	169	204	386	512	579
	Others	Water heaters	–	–	–	–	–	11,472	11,335	10,533	13,412	15,601	16,468
		Kitchen appliances	–	–	–	–	–	5,498	5,077	5,437	6,518	8,715	8,846
		Conditioning appliances	–	–	–	–	–	911	812	857	2,147	2,163	1,700
		Commercial-use equipment	–	–	–	–	–	404	365	313	360	376	433
		Others	–	–	–	–	–	2,502	2,387	2,034	3,205	3,679	3,495
	Total	Water heaters	–	–	–	–	–	202,630	196,122	195,755	211,026	258,658	263,839
		Kitchen appliances	–	–	–	–	–	88,322	86,193	88,441	85,531	91,780	90,495
		Conditioning appliances	–	–	–	–	–	19,642	18,901	19,013	21,109	21,941	21,746
		Commercial-use equipment	–	–	–	–	–	8,452	8,556	7,726	9,007	10,669	11,212
		Others	–	–	–	–	–	28,974	30,685	33,428	39,509	42,179	42,891

^{*1} Rinnai Indonesia became a consolidated subsidiary in fiscal 2016
^{*2} Reference data is not publicly available, so there is no data for fiscal 2019 or earlier.

Data Collection

Human Resource- and Personnel-related Data

The Rinnai Group

Number of Full-time Employees (Consolidated, Year-end)

		Fiscal 2022	Fiscal 2023	Fiscal 2024
Rinnai Corporation	Male	2,533	2,542	2,506
	Female	1,072	1,045	1,026
Domestic Group companies	Male	1,273	1,268	1,249
	Female	688	689	659
Overseas Group companies	Male	3,553	3,736	3,608
	Female	1,658	1,870	1,789
Total		10,777	11,150	10,837

Number of Full-time Employees by Region (Consolidated, Year-end)

		Fiscal 2022	Fiscal 2023	Fiscal 2024	Composition
Japan	Male	3,806	3,810	3,755	—
	Female	1,760	1,734	1,685	—
	Subtotal	5,566	5,544	5,440	50.20%
Asia, excluding Japan	Male	2,501	2,520	2493	—
	Female	1,242	1,280	1279	—
	Subtotal	3,743	3,800	3772	34.81%
North America	Male	408	540	443	—
	Female	173	350	258	—
	Subtotal	581	890	701	6.47%
Other (Oceania, South America, and Europe)	Male	644	676	672	—
	Female	243	240	252	—
	Subtotal	887	916	924	8.53%
Total		10,777	11,150	10,837	100%

Fiscal 2024 Female ratio
31.0%
33.9%
36.8%
27.3%
32.1%

Rinnai Corporation

Employee Ages

		Fiscal 2022	Fiscal 2023	Fiscal 2024
Under 30	Male	447	445	443
	Female	271	232	202
	Subtotal	718	677	645
30–39	Male	733	715	674
	Female	451	433	427
	Subtotal	1,184	1,148	1101
40–49	Male	606	573	557
	Female	233	248	254
	Subtotal	839	821	811
50–59	Male	730	759	771
	Female	116	123	136
	Subtotal	846	882	907
60 or older	Male	17	50	61
	Female	1	9	7
	Subtotal	18	59	68
Number of non-Japanese employees	Subtotal	5	4	3

Number of Employees (Non-consolidated)

		Fiscal 2022	Fiscal 2023	Fiscal 2024			
Newly recruited employees	Male	71	89	76	Newly recruited employee retention	Male	Newly recruited employees in April 2021
	Female	13	14	18		Female	Employees retained in April 2024
	Subtotal	84	103	94		Subtotal	
Mid-career recruitment	Male	7	5	9			
	Female	1	6	3			
	Subtotal	8	11	12			
Mid-career recruitment rate (%)	Subtotal	9	10	11			
Temporary staff	Subtotal	178	181	168			
Average working years	Male	18.7	19.1	19.5			
	Female	15.3	16.2	16.9			
	Subtotal	17.7	18.3	18.8			
Average age (Years old)	Male	41.0	41.4	41.7			
	Female	36.3	37.3	37.9			
	Subtotal	39.6	40.2	40.6			

	Executive Position	Female	Male	Non-Japanese	Ratio of Women (%)
Managerial Position Appointment Status (People) * End-FY2024 Compiled from the Rinnai Corporation	Supervisory position	7	732	0	0.95
	Of which are general managers or higher	0	49	0	0.00
	Director	1	23	0	4.17
	Of which are executive directors	0	11	0	0.00

		Fiscal 2022	Fiscal 2023	Fiscal 2024
Voluntary termination rate (%)		1.2	2.8	2.5
Paid leave * Rinnai parent, Based on the status of leave taken by permanent employees	Maximum number of days added with paid leave	20	20	20
	Average number of days taken with paid leave	14.0	11.6	13.9
	Utilization ratio (%)	70	61	73
Employment of persons with disabilities	Number of persons with disabilities	82	79	93
	Employment rate (%)	2.33	2.19	2.62
Number of OJT accidents * Includes domestic consolidated subsidiaries	Number of accidents	26	25	22
	Number of disasters(%) (LTIFR)	0.00	0.74	0.31
Number of employees on mental health leave		31	21	30
Periodic health checkup participation ratio		100	100	100
Secondary health checkup participation ratio		88.6	91.7	95.8
Smoking ratio		19.9	19.4	19.0
Participation ratio in measures ^{*1} for high-risk individuals ^{*2} (%)		100	100	100
Stress check test taker ratio (%)		94.4	95.8	98.6
Number of employees who used childcare leave		63	64	56
Number of employees who took childcare leave of absence	Male	7	18	33
	Female	123	91	76
	Subtotal	130	109	109
Proportion of employees who took maternity leave (%)	Male	6.5	21.7	35.8
	Female	85.7	106.4	109.5
Proportion of employees who return to work after taking parental leave (%)	Male	100	100	100
	Female	97	98	100
	Subtotal	99	99	100
Number of employees who used shortened work hours	Male	4	2	1
	Female	199	215	174
	Subtotal	203	217	175
Number of employees who used family care leave	Male	2	4	7
	Female	38	59	94
	Subtotal	40	63	101
Number of employees who used nursing leave	Male	3	4	5
	Female	2	9	33
	Subtotal	5	13	38
Number of employees who took nursing leave of absence	Male	0	1	0
	Female	1	0	0
	Subtotal	1	1	0
Number of employees who used our reemployment (Come Back) system	Male	0	0	1
	Female	0	1	0
	Subtotal	0	1	1
Number of employees who used the work from home program	Male	512	806	495
	Female	210	233	148
	Subtotal	722	1,039	643

*1 Employees who have two or more of the "Recommended Value for Medical Examination" items and have at least one untreated item.

*2 Measures to prevent aggravation of health insurance

		Fiscal 2022	Fiscal 2023	Fiscal 2024
Annual total actual working hours per employee		2,054	2,065	2018.6
Annual non-scheduled working hours per employee		211.3	244.6	193.7
Average overtime per month (Hours)		17.6	19.9	15.8
Average annual salary		6,532,997	6,671,135	6,784,474
Average wages at 30 years old (Yen) * Excluding overtime pay	Highest wage at 30	303,150	311,150	338,050
	Lowest wage at 30	265,450	264,050	289,450
	Average wage at 30	284,965	287,612	320,857
Gender Wage Gap	All workers	—	60.4%	60.9%
	Full-time workers	—	60.4%	61.1%
	Part-time and fixed-term workers	—	65.5%	65.3%

Others (Social Contribution and Compliance)		Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of whistleblower incidents * Includes domestic consolidated subsidiaries		10	16	8
Criminal charges for compliance related accidents and incidents (Number of cases)		0	0	0
Total expenditure on social contribution activities (Millions of yen)		27	24	12
Political contributions and lobbying activities expenditures (Millions of yen)		0.7	1.2	0.7

Data Collection

Environmental Data

With the aim of promoting environmental efforts by all employees in all business domains, Rinnai promotes environmental activities (7E strategic initiatives) in all business processes (development, procurement, production, sales, use and disposal). We report targets and achievements for each 7E activity (E-marketing, E-services, E-products, E-procurement, E-mind, E-factories and E-offices).

Basic Environmental Activities and Targets for Fiscal 2022–2026

Field	Basic Environmental Activities	2023 Results
Environment marketing (Sales) Environmental services (Construction and repair)	Expanding Sales of Environmentally Friendly Products (Japan & Overseas) CO ₂ reduction contribution by fiscal 2026: 8.2 million tons	• 5.48 million tons of CO ₂ reduction contribution ^{*1} when using products
Environmental products (Product development)	Continuously develop high-efficiency equipment for Zero-Energy Homes (ZEH) and products that use less power during both standby and use We will continue to develop and research combustion equipment that is compatible with hydrogen infrastructure and systems for net zero CO ₂ emissions.	• The <i>ECO ONE</i> X5 hybrid water heater with heating system received the Agency for Natural Resources and Energy Commissioner’s Award at the Fiscal 2023 Agency for Natural Resources and Energy Awards • Developed highly efficient gas water heaters and kitchen equipment • Developed technology for 100% hydrogen combustion in residential water heaters • Launched joint developments related to hydrogen cooking • Implemented designs to reduce weight of water heaters and gas stoves
	Promotion of resource conservation and resource recycling Continuously evaluate each product’s environmental impact from its design stage through its lifecycle and develop smaller and lighter products	
Environmental procurement	Promote Supply Chain Management Conduct environmental conservation activities in cooperation with business partners, and continuously conduct green procurement management in compliance with regulations in each country	• Conducting the management of Rinnai Green Procurement Standards Guide (Material procurement and use, including new parts) • Increasing cooperation with business partners and improving the management level of chemical substance • Received an A- rating on the CDP Supplier Engagement Rating (SER) evaluation
Environmental minds (Regional communities and employees)	Communication of ESG-related Information Rinnai continuously engages in dialogues with stakeholders to deepen understanding, as well as efforts that contribute to environmental brand improvement.	• Participating in various external evaluations
	Contributing to Local Communities Rinnai continuously engages in activities that ensure the preservation of biodiversity, as well as efforts that contribute to local governments and schools. Extermination of specified invasive species in corresponding areas 1 ton/year	• Once again recognized as a Master Certified Aichi Biodiversity Company under the Aichi Biodiversity Company Certification Program • <i>Coreopsis lanceolata</i> eradication 1 ton/year ^{*3}
	Conducting Environmental Training and Awareness Activities Continuing with initiatives that foster environmental awareness and the enhanced ability to take action in employees through training	• Multiple environmental awareness events and information dissemination implemented for employees • Held event to learn about local production for local consumption through heirloom vegetables and other local food products

Field	Basic Environmental Activities	2023 Results
Environmental factories Environmental offices	Promotion of low-carbon and decarbonization at worksites (Scope 1 and 2 reductions) Reduction of per-unit energy consumption ^{*2} by more than 6% compared to fiscal 2020 by fiscal 2026 Shift to energy use with lower CO ₂ emissions	Increased by 7.6% compared to fiscal 2020 Consideration of adopting electricity with low CO ₂ emission factor (Introduction of renewable energy, others)
	Reduction of waste discharge ^{*2} by more than 6% compared to fiscal 2020 by fiscal 2026 Maintain and advance zero-emissions initiatives Realized recycling rate of 99.5% or higher	Reduced by 0.7% compared to fiscal 2020 Realized recycling rate of 99.8%
	Promoting paperless offices Annual improvements Over 10 examples	Paperless improvements 20 examples
	Reduction of water use ^{*2} by more than 6% compared to fiscal 2020 by fiscal 2026	Decreased by 2.5% compared to fiscal 2020

Target scope: Rinnai Corporation and its consolidated subsidiaries
Reporting Period: April 1, 2023 to March 31, 2024

Notes: 1. CO₂ reduction contribution = Reduction in CO₂ emissions compared to products sold in 2005 resulting from improved performance of Rinnai water heaters (estimated)
Concerns emissions produced through markets in Japan and overseas.
2. Basic unit: Burden per unit standard determined by Rinnai; Scope: Rinnai Corporation

Data Collection

Impact on the Environment of the Rinnai Group

Rinnai is working to achieve full comprehension of all environmental impacts related to its business activities. As a manufacturer of thermal energy equipment, we have identified energy consumption and CO₂ emissions (Scope 1, 2 and 3) to be important issues. Accordingly, we are implementing third-party inspections and working to ensure the accuracy and reliability of information disclosure, which is used to reduce environmental impacts.

Scope of Accounting

Rinnai Corporation and consolidated subsidiaries

Company Name

- Rinnai Corporation
 - Yanagisawa Manufacturing Co., Ltd.
 - Rinnai Technica Co., Ltd.
 - Gastar Co., Ltd.
 - RB Controls Co., Ltd.
 - Rinnai Precision Co., Ltd.
 - RT Engineering Co., Ltd.
 - Noto Tech Co., Ltd.
 - Techno Parts Co., Ltd.
 - Rinnai Net Co., Ltd.
 - Rinnai Enterprises
 - Rinnai Holdings (Pacific) Pte Ltd.
 - Rinnai Hong Kong Ltd.
 - Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.
 - Rinnai Italia S.r.l.
 - Rinnai Canada Holdings Ltd.
- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.
 - Central Heating New Zealand Ltd.
 - Rinnai America Corporation
 - Rinnai Australia Pty., Ltd.
 - Shanghai Rinnai Co., Ltd.
 - Rinnai Korea Corporation
 - P.T. Rinnai Indonesia
 - Rinnai New Zealand Ltd.
 - Rinnai Taiwan Corporation
 - Rinnai (Thailand) Co., Ltd.
 - Rinnai Brasil Heating Technology Ltd.
 - Rinnai Viet Nam Co., Ltd.
 - Rinnai Manufacturing Malaysia Sdn. Bhd.
 - Industrias Mass, S.A. de C.V.
 - RB Korea Ltd.

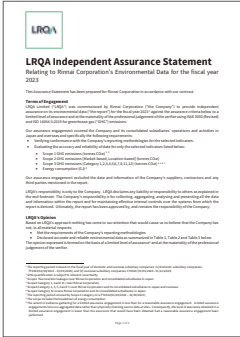
Reporting Period

Domestic: From April 1, 2023 to March 31, 2024

Overseas: From January 1, 2023 to December 31, 2023

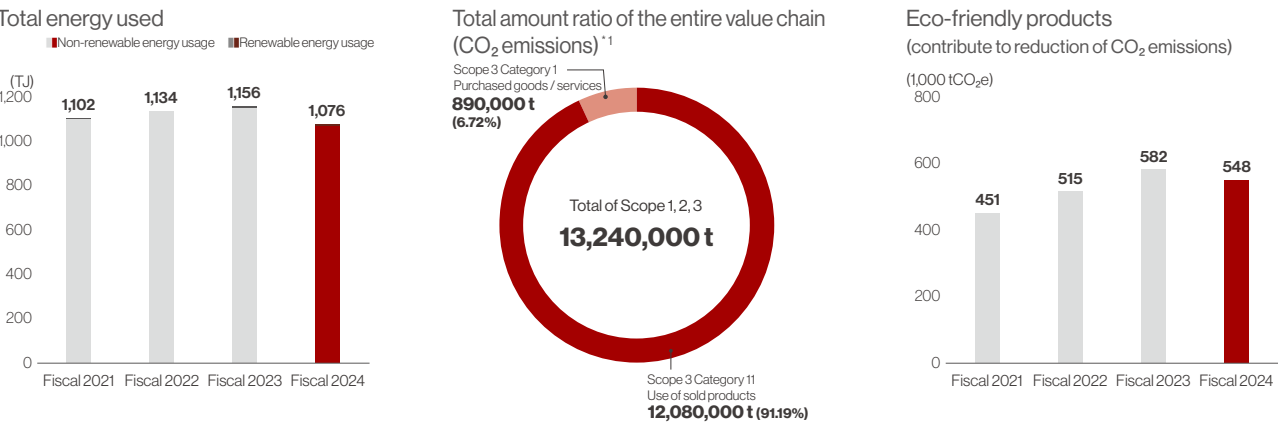
Third-Party Assurance

☒ This icon indicates that a measure has third-party assurance from Lloyd's Register Quality Assurance (LRQA).



LRQA Independent Assurance Statement
(<https://www.rinnai.co.jp/en/corp/csr/pdf/ias.pdf>)

Global Warming Prevention



Non-renewable Energy Consumption

Scope		Unit	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Assurance
Electricity		MWh	423,511.4	441,221.0	459,595.5	469,845.8	438,928.6	<input checked="" type="checkbox"/>
Town gas	For the use of equipment in each facility	kNm³	467,713.4	470,861.2	481,526.9	475,582.7	439,285.2	<input checked="" type="checkbox"/>
	For vehicle use	kNm³	52.7	22.3	4.6	0.0	0.0	<input checked="" type="checkbox"/>
Methane		km³	1,535.8	1,831.3	1,651.2	1,211.0	1,287.7	<input checked="" type="checkbox"/>
LPG	For the use of equipment in each facility	t	128,929.6	118,803.1	119,548.8	121,035.1	105,065.7	<input checked="" type="checkbox"/>
	For vehicle use	t	70.3	97.6	66.1	46.4	64.1	<input checked="" type="checkbox"/>
Butane		t	682.3	750.5	483.3	285.6	322.2	<input checked="" type="checkbox"/>
Acetylene		t	386.6	375.4	488.2	364.4	323.9	<input checked="" type="checkbox"/>
Ethylene		t	3.6	1.9	2.1	2.1	2.1	<input checked="" type="checkbox"/>
Heavy oil		kl	7.0	7.0	7.0	7.0	7.0	<input checked="" type="checkbox"/>
Heating oil		kl	680.4	574.2	737.4	563.0	486.7	<input checked="" type="checkbox"/>
Light oil	For the use of equipment in each facility	kl	4,041.0	3,321.6	3,414.0	3,416.6	3,055.2	<input checked="" type="checkbox"/>
	For vehicle use	kl	15,818.9	13,545.3	12,069.8	12,616.6	12,087.1	<input checked="" type="checkbox"/>
Gasoline	For the use of equipment in each facility	kl	175.9	162.9	185.9	208.0	145.2	<input checked="" type="checkbox"/>
	For vehicle use	kl	62,947.8	49,137.9	53,710.8	64,460.5	65,161.2	<input checked="" type="checkbox"/>
Total		GJ	1,106,557	1,100,713	1,133,492	1,149,645	1,066,222	<input checked="" type="checkbox"/>

Renewable Energy Consumption

Scope	Unit	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Assurance
Electricity	MWh	292.8	349.8	530.2	6,005.8	9,022.7	<input checked="" type="checkbox"/>
Town gas		—	—	—	—	959.1	<input checked="" type="checkbox"/>
LPG		—	—	—	—	124.2	<input checked="" type="checkbox"/>
Total		—	—	—	—	10,106	<input checked="" type="checkbox"/>

Data Collection

CO₂ Emissions

(Unit: tCO₂e)

Scope			Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Year of Reporting Results		
							Fiscal 2024	Percentage	Assurance
Scope 1 ¹	CO ₂		36,723	35,161	35,941	36,437	34,320	0.26%	<input checked="" type="checkbox"/>
	CH ₄		—	—	—	73	70		<input checked="" type="checkbox"/>
	N ₂ O		—	—	—	18	15		<input checked="" type="checkbox"/>
	HFC		—	—	—	251	471		<input checked="" type="checkbox"/>
Scope 2 ²	Market-based		66,239	68,606	67,987	69,243	63,502	0.48%	<input checked="" type="checkbox"/>
	Location-based		(69,641)	(70,604)	(68,563)	(68,163)	(64,457)	—	<input checked="" type="checkbox"/>
Scope 3 ³	1	Purchased goods and services	821,979	848,727	883,457	1,072,825	889,861	6.72%	<input checked="" type="checkbox"/>
	2	Capital goods	21,078	23,661	39,589	85,666	132,800	1.00%	<input checked="" type="checkbox"/>
	3	Fuel- and energy-related activities	4,379	4,386	4,475	17,973	16,763	0.13%	<input checked="" type="checkbox"/>
	4	Upstream transportation and distribution	8,377	9,384	8,953	9,703	8,685	0.07%	<input checked="" type="checkbox"/>
	5	Waste generated in operations	5,668	1,036	1,028	5,247	4,960	0.04%	<input checked="" type="checkbox"/>
	6	Business travel	535	531	515	1,655	1,585	0.01%	<input checked="" type="checkbox"/>
	7	Employee commuting	1,598	1,586	1,544	5,527	5,286	0.04%	<input checked="" type="checkbox"/>
	8	Upstream leased assets		Included in Scope 1, 2	Included in Scope 1, 2	Included in Scope 1, 2	Included in Scope 1, 2	—	<input checked="" type="checkbox"/>
	9	Downstream transportation and distribution	—	—	—	—	—	—	—
	10	Processing of sold products	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	—	—
	11	Use of sold products	10,511,507	10,497,104	8,846,480	14,597,287	12,075,588	91.19%	<input checked="" type="checkbox"/>
	12	End-of-life treatment of sold products	5,942	5,937	6,109	7,125	7,755	0.06%	<input checked="" type="checkbox"/>
	13	Downstream leased assets	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	—	—
	14	Franchises	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	—	—
	15	Investments	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	—	—
Total of Scope 1, 2, and 3			11,484,025	11,496,120	9,896,078	15,909,028	13,241,664	100.00%	<input checked="" type="checkbox"/>

^{*1} Scope 1: The volume of greenhouse gases that are leaked directly into the Earth's atmosphere from sources related to Rinnai's business activities (no PFC, SF6, or NF3 emissions)
^{*2} Scope 2: Emissions from the use of electricity purchased by the Rinnai Group
^{*3} Scope 3: The volume of emissions that occur during business activities conducted throughout Rinnai's supply chain (excluding those in Scope 1 and 2)
Categories 2, 3, 5, 6, 7, 8, and 11 of Scope 3 were calculated by expanding the scope from fiscal 2023.

Shipping Volume and CO₂ Emissions

Scope	Unit	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Shipping volume	Millions tons/km	5,837	6,524	6,152	6,682	6,083
CO ₂ emissions	tCO ₂ e	8,377	9,384	8,953	9,703	8,685

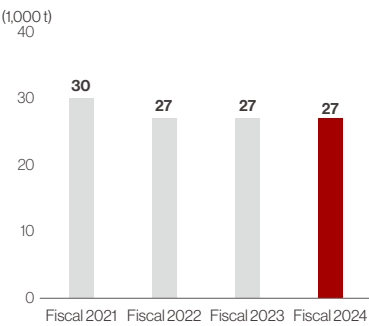
Conditions for Calculations

		CO ₂ conversion factors	Scope of calculations
Scope 1		Emission factors: MOE/METI, GHG Emission Calculation and Reporting Manual (Ver. 5.0)	Rinnai Group
Scope 2		Market-base emission factor Domestic emission factors: "Emission Factors by Electricity Utility (for FY2023 Reporting)" in MOE/METI, GHG Emission Calculation and Reporting Manual (Ver. 5.0) Overseas emission factors: Latest figures published for electricity utilities, etc., in the countries concerned Location-base emission factor Domestic emission factors: "Alternative Emission Factors by Electricity Utility (for FY2024 Reporting)" Overseas emission factors: IGES List of Grid Emission Factors Ver11.4_20240310, etc.	Rinnai Group
Scope 3	Shared	Calculated in accordance with MOE/METI, Basic Guidelines on Calculation of Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.6) Emission factors: MOE, Emission Factor Database (Ver. 3.4), Sustainable Management Promotion Organization's LCI database IDEAv2.3 (for calculating GHG emissions in the supply chain)	—
	Category 1	Calculated by multiplying the purchase price of each type of parts, goods, and services by the emissions factor	Rinnai Corporation
	Category 2	Calculated by multiplying the purchase price of tangible fixed assets by Rinnai's business code emissions factor	Rinnai Group
	Category 3	Calculated by multiplying the amount of energy used according to energy type by the energy generation stage emissions factor	Rinnai Group
	Category 4	Calculated using the revised ton-kilometer calculation method for the scope of calculation for specified shipper notifications under the Energy Conservation Act and the Act on Promotion of Global Warming Countermeasures	Rinnai Corporation
	Category 5	Calculated by multiplying emissions by waste type and treatment method, by the emissions factor, including during transportation	Rinnai Group
	Category 6	Calculated by multiplying the number of employees by the emissions factor per employee	Rinnai Group
	Category 7	Calculated by multiplying the number of employees in each work category and city by the number of working days, then multiplying by the emissions factor per employee	Rinnai Group
	Category 8	All energy associated with the operation of upstream leased assets is included in Scope 1 and 2	Rinnai Group
	Category 11	Calculated according to usage scenarios (by product type) specified by Rinnai Products covered: Water heaters, kitchen appliances and home heaters sold by Rinnai Period: 10 years Conditions: Conditions defined by Rinnai Emission factors: • Electricity: 0.570 kgCO ₂ e/kWh • Federation of Electric Power Companies of Japan, Environmental Action Plans in the Electricity Industry, September 2015 (reference materials: collected data on performance in fiscal 2014) • City gas: 2.21 kgCO ₂ e/m ³ • Tokyo Gas Co., Ltd., City Gas CO ₂ Emission Factors (13A, 45 MJ/m ³ , ordinary households and other customers receiving low-pressure supply)	Rinnai Corporation
	Category 12	Calculated by multiplying the number of units sold by emission intensity type (products subject to the Home Appliance Recycling Law) Calculated by multiplying the mass of each component per product by the number of units sold, then multiplying by the emissions factor by type and disposal method (including during transportation) Calculated by multiplying the amount of container and packaging materials used according to type, by the emissions factor for each type and disposal method (including during transportation)	Rinnai Corporation and its domestic consolidated subsidiaries
Environmentally Conscious Products (CO ₂ reduction contribution)		Calculated in accordance with the Guidelines for Quantifying GHG Emission Reductions (March 2018, Ministry of Economy, Trade and Industry) Target: During product usage Method: Flow-based (Years of usage = 10 years, Diffusion = Units sold in evaluation year) Baseline products: FY2006 popular products Products to be evaluated: Products including those with improved thermal conversion efficiency as alternatives to baseline products	Rinnai Group

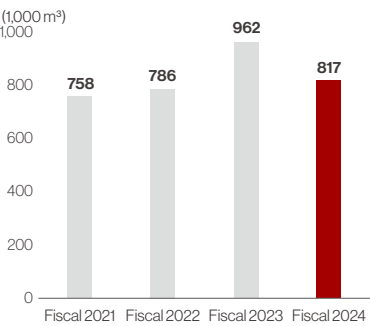
Data Collection

Resource Recycling, Pollution Prevention, and Protecting Biodiversity

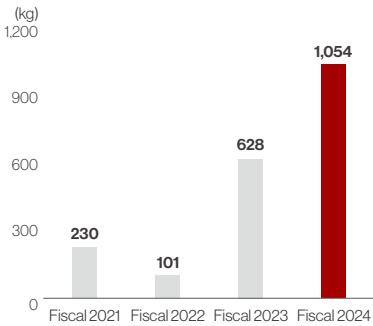
Solid waste
(Includes valuable substances)



Water used



Biodiversity protection
(Weight of exterminated specified invasive species)



	Unit	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Waste generated (Including valuables)	Thousand tons	31	30	27	27	27
Recycled waste	Thousand tons	29	28	25	26	25
Waste into landfill	Thousand tons	1.8	1.2	1.7	1.4	1.3
Water withdrawal (Public water)	Thousand m³	616	595	551	742	634
Water withdrawal (Ground water)	Thousand m³	192	163	235	220	182
Discharge of water	Thousand m³	778	742	754	948	798
Hazardous chemicals ^{*1} use	t	235	224	238	246	176
Weight of exterminated specified invasive species ^{*2}	kg	220	230	101	628	1,054
Number of people who participated in the extermination of specified invasive species ^{*2}	Persons	89	42	31	103	145

^{*1} Class I designated chemical substance stipulated by the Pollutant Release and Transfer Register (PRTR) Law
Scope: Rinnai Corporation and its domestic consolidated subsidiaries
^{*2} In fiscal 2021 and fiscal 2023, the area and number of participants were limited due to the COVID-19 pandemic and were handled while paying due attention to safety.

Environmental Accounting

Breakdown of Costs for Environmental Protection		Key Activities	Costs (Millions of yen)				
			Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
In the scope of operations	Pollution prevention	Mainly efforts to prevent air and water pollution	27	37	50	36	43
	Environmental protection	Mainly efforts to save energy	31	11	28	28	39
	Resource recycling	Recycling as well as treatment and disposal of industrial waste	117	103	95	106	84
Upstream/downstream		Collection/recycling and volume/weight reduction of materials such as product packaging	12	13	11	12	11
Management activities		Mainly monitoring and surveillance of environmental impact	109	119	100	97	99
Research and development		Research and development on environmentally conscious products	733	1,243	1,239	1,457	1,720
Community efforts		Environmental communication with local regions and beautification/greening at places of business and surrounding areas	2	3	2	3	3

Environmental Protection Effect	Key Activities	Unit	Environmental Impact Reduction				
			Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
	CO ₂ emissions reductions	Thousand tCO ₂ e	6.0	3.5	10.8	5.2	6.5
	Waste curtailment	Thousand tons	0.3	0.5	0.1	0.1	0.9
	Water saving	Thousand m³	17.0	31.8	21.9	5.2	2.3

• Environmental protection effects are not increases or decreases in overall costs but rather an effective amount regarded for its economic benefit through the associated activities of each site.

Economic Effect Accompanying Environmental Protection Measures	Key Activities	Economic Effect (Millions of yen)				
		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
	Reduced expenses through energy conservation, waste curtailment, and water saving	295	538	359	179	557

• The calculations above exclude depreciation and amortization expenses.
• The economic effects achieved through energy savings and waste reduction are not increases or decreases in overall costs but rather an effective amount regarded for its economic benefit through the associated activities of each site.
• Assumed effects, such as avoiding risks and enhanced product sales, fall outside the scope of economic effects because the standards for evaluation are too vague.

Data Collection

Chronology of Environmental Activities at Rinnai

1993	March December	Drafted Environmental Preservation Action Plan; established Environment Committee Won prize at 4th Energy Conservation Vanguard 21 for gas-blast type high-heat griller RGM-4, 6, 8
1994	July	Market debut: Low-NOx burner built-in water heater (NOx at less than 60 ppm)
1996	March	Won top prize at 1st Eco-Design Awards, sponsored by Tokyo Gas, Osaka Gas and Toho Gas for water heater, fan heater and small hot-water heater
1997	March June October December	Won special prize at 2nd Eco-Design Awards for tabletop cooking stove Market debut: Absorption-type gas air conditioner (non-CFC) Acquired ISO 14001 certification at Oguchi Factory Won prize at 8th Energy Conservation Vanguard 21 for tabletop oven RSBN-096
1998	April Awards October	Won top prize for gas clothes dryer and special awards for small hot-water heater and for absorption-type gas air conditioner at 3rd Eco-Design Awards Market debut: <i>Yukko V</i> Series, featuring no styrene packing, low stand by power consumption and low NOx emissions
1999	June July September October	Environment Month event: Talk given at Rinnai by a corporate environmental pioneer Established Environment Division Market debut: Ecomax burner and Eco burner-equipped gas cooking stove Market debut: Condensing water heater boasting 95% heat efficiency and NOx emissions under 30 ppm
2000	February May June August	Won Minister of Economy, Trade and Industry Award for condensing water heater at Ministry's 10th Energy Conservation Awards Drafted Rinnai Environmental Action Principles Environment Month event: Talk given at Rinnai by a corporate environmental pioneer Published inaugural issue of Environmental Report
2001	June	Environment Month event: Talk given at Rinnai by a corporate environmental pioneer
2002	June	Environment Month event: Talk given at Rinnai by a corporate environmental pioneer
2003	June October	Environment Month event: Talk given at Rinnai by a corporate environmental pioneer Won Electric Equipment Packaging Category Award in the Good Packaging division at Japan Packaging Contest 2003 for built-in 75 cm-wide glass-top gas cooking stove
2004	June December	Environment Month event: Talk given at Rinnai by a corporate environmental pioneer Won Logistics Prize at Japan Packaging Contest 2004 for bathroom heater/dryer Created the Green Procurement Standards Guide (first edition)
2005	June	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Participated in Team Minus 6%, a national movement to prevent global warming
2006	June October	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Won Electric Equipment Packaging Category Award in the Good Packaging division at Japan Packaging Contest 2006
2007	June	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer
2008	June September October	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Gas tankless water heater sold in the United States captured 2008 Super Nova Star Award (Stars of Energy Efficiency) in the United States from the Alliance to Save Energy Won Electric Equipment Packaging Category Award in the Good Packaging division at Japan Packaging Contest 2008 for gas fan heater
2009	February June	Market debut: <i>Eco-Jozu</i> hot-water/heating unit RVD-E Series Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer
2010	January February June September	Market debut: <i>Eco-Jozu</i> water heater with bath-filling systems RUF-E Series Participated in Challenge 25 campaign, a national movement to prevent global warming Won Silver Award at Aichi Environmental Award 2010 sponsored by Aichi Prefecture for global promotion of high-efficiency combustion appliances and systems, including latent heat recovery water heaters (development of latent heat recovery type water heaters) Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Held the first Rinnai Group Environmental Awards ceremony
2011	April June December	Market debut: <i>Eco One</i> hybrid water heater with heating systems for colder regions Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Held the second Rinnai Group Environmental Awards ceremony Won the Resource Recycling Manufacturing Research Group Chairman's Award at the IMS 16th Resource Recycling Manufacturing Symposium
2012	June September October December	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Held the third Rinnai Group Environmental Awards ceremony Won Large and Heavy Good Packaging Prize at Japan Packaging Contest 2012 for <i>Eco One</i> hybrid water heater with heating systems Won the Resource Recycling Manufacturing Research Group Chairman's Award at the IMS 17th Resource Recycling Manufacturing Symposium
2013	June September December	Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Held the fourth Rinnai Group Environmental Awards ceremony Won the Chairman Award of Nagoya Industries Promotion Corporation at the IMS 18th Resource Recycling Manufacturing Symposium
2014	January June August September December	Won top energy conservation award at METI Award in the fiscal 2013 Energy Conservation Awards for <i>Eco One</i> hybrid water heater with heating systems Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Won Large and Heavy Good Packaging Prize at Japan Packaging Contest 2014 for returnable package Held the fifth Rinnai Group Environmental Awards ceremony Won 2014 Energy Saving and New Energy Grand Prize in Kitaguni (northern area in Japan) for <i>Eco One</i> hybrid water heater with heating systems for the Hokkaido region Won the Chunichi Shimbun Award at the IMS 19th Resource Recycling Manufacturing Symposium for our development of an eco-friendly water heater with bath-filling systems
2015	April June September	Market debut: <i>Eco One</i> third-generation hybrid water heater with heating systems Environment Month event: Organized an exchange event (visit) with a corporate environmental pioneer Held the sixth Rinnai Group Environmental Awards ceremony
2016	May June July	Acquired a certificate of a low-carbon building as Japan's first residential complex in which all units have <i>ECO ONE</i> and floor heating Environment Month events: Issued new environmental cards to all Rinnai employees Organized an exchange event (visit) with a corporate environmental pioneer Participated in <i>COOL CHOICE</i> campaign, a new national movement to global climatic changes and reducing greenhouse effect gas

2016	August September December	Won Good Packaging Prize at Japan Packaging Contest 2014 for a bottom tray with parts box for important attachments Held the seventh Rinnai Group Environmental Awards ceremony Won Nagoya Municipal Industrial Research Institute Director's Award at 21st Resource Recycling <i>Monozukuri</i> Symposium IMS
2017	January March June November	Presented a talk on Rinnai's environmental activities at the 20th Dialogue and Exchange Event hosted by EPOC Won the Energy Center Director's Award at the Energy Conservation Awards for third-generation <i>ECO ONE</i> hybrid water and space heating system Conducted inspections regarding conversion to ISO 14001:2015 standards Environment Month events: Organized action to eradicate a specified invasive species (<i>Coreopsis lanceolata</i>) Organized an exchange event (visit) with a corporate environmental pioneer 3,922 Rinnai employees participated in the My Action Declaration's five actions to protect biodiversity backed by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J) Rinnai Kansai branch office received Eco-Drive Excellent activity certificate in the general division of the 2017 Eco-drive Activity Concours, sponsored by the Foundation for Promoting Personal Mobility and Eco-Drive Ecological Transportation
2018	January February April June September December	Held the eighth Rinnai Group Environmental Awards during our New Year's celebration Won first prize in the Aichi Environmental Awards, which is an extremely energy-efficient water heater and heating system that cleverly and optimally uses diverse energy (development of <i>ECO ONE</i>) Published fourth edition of our Green Procurement Standards Guide Environment Month events: Removed <i>Coreopsis lanceolata</i> coreopsis plants, an invasive species, and held an Environmentally Progressive Company Inspection Council (exchange meeting) Exterminated the specified invasive species <i>Coreopsis lanceolata</i> Held internal study groups on ESG and the SDGs (invited outside lecturers) Participated in the EcoPro 2018 exhibition
2019	January February May June September November December	9th Rinnai Group Environmental Award Ceremony held during the New Year's ceremony Received the "Minister of the Environment Award," the top award at the COOL CHOICE LEADERS AWARD 2018 sponsored by the Ministry of the Environment (development of <i>ECO ONE</i>) Received the "Excellence Award" at the 22nd Environmental Communication Awards sponsored by the Ministry of the Environment (CSR Report 2018) Received the "Excellence Award" from the Ministry of the Environment (Medium-term management plan G-shift 2020 "Development of human resources to promote environmental management and contribution") Ranked 26th overall at the 22nd Environmental Management Ranking hosted by The Nikkei, which evaluates the environmental management level of Japanese companies Monthly environmental events • Held environmentally advanced company exchange meetings (inspection meetings) • Exterminated the specified invasive species <i>Coreopsis lanceolata</i> Received "Honorable Mention" at the 2nd EcoPro Awards sponsored by the Industrial Environment Management Association of Japan (for the development of "optimal hot water supply and heating systems" according to energy and environmental conditions in each country and region) Received an Award at the Biodiversity Action Awards 2019 (Let's grow heirloom vegetables together) organized by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J) Participated in the EcoPro 2019 exhibition
2020	January May June July October	10th Rinnai Group Environmental Award Ceremony held during the New-Year Convention Received the "Excellence Award" in the Ministry of the Environment's 2019 Environmental Persons Development Awards Environment Month events: Exterminated the specified invasive species <i>Coreopsis lanceolata</i> Selected as "Good Practice" at the Aichi-Nagoya Biodiversity Best Practice Received the Japan Packaging Contest "Packaging Category Award (Industrial Packaging Category Award)" for exported water heater packaging improvements
2021	January March June July October November	Held the 11th Rinnai Group Environmental Awards during the Company's New Year's celebration Received the "Silver Prize" at the Sustainability Website Awards 2021 organized by the CSR Communications Association Received the "Minister of the Environment Award (Large Enterprise Category)" at the 2020 Environmental Human Resources Development Corporate Awards organized by the Ministry of the Environment Environment Month event: Engaged in efforts to eradicate the specified invasive species <i>Coreopsis lanceolata</i> Conducted a lecture on Rinnai's environmental efforts at the "Environment and Manufacturing Conference" organized by the Nagoya Industries Promotion Corporation Received the Energy Saving Division Grand Prize in the 2021 Hokkaido Government Energy Saving / New Energy Promotion Grand Prize Announced commitment to carbon neutrality (RIM 2050)
2022	January March April May June October November December	Held the 12th Rinnai Group Environmental Awards during the Company's New Year's celebration Received the Energy Conservation Center Chairman's Award in the 2021 Energy Conservation Center Grand Prize (Hybrid heating/cooling and water heater systems for cold regions) Received the Excellence Award in the 2021 Energy Saving and New Energy Grand Prize in Kitaguni organized by METI Hokkaido Bureau of Economy, Trade and Industry Established ESG Committee Succeeded in developing the world's first 100% hydrogen combustion technology for home-use water heaters Received the Heat Pump & Thermal Storage Technology Center of Japan (HPTCJ) Promotion Award in the Demand-Side Management Award for 2022 organized by HPTCJ Environment Month event: Engaged in efforts to eradicate the specified invasive species <i>Coreopsis lanceolata</i> Launched joint developments related to hydrogen cooking with Toyota Motor Corporation Recognized as a Master Certified Aichi Biodiversity Company under the Aichi Biodiversity Company Certification Program Received the Agency for Natural Resources and Energy Commissioner's Award at the Fiscal 2023 Agency for Natural Resources and Energy Awards (<i>ECO ONE</i> X5 hybrid water heater with heating system)
2023	January February April June	Held the 13th Rinnai Group Environmental Award Ceremony during the New-Year Convention Rinnai wins the 2022 Energy Conservation Award (the Prize of Director-General of the Agency for Natural Resources and Energy) for <i>ECO ONE</i> hybrid water heater with heating systems Launched testing of Japan's first 100% hydrogen combustion water heater at Kitakyushu Hydrogen Town Environment Month event: Engaged in efforts to eradicate the specified invasive species <i>Coreopsis lanceolata</i>
2024	January June	The 14th Rinnai Group Environmental Awards were presented at the New Year's ceremony Environment Month event: Engaged in efforts to eradicate the specified invasive species <i>Coreopsis lanceolata</i>

Data Collection

Certification Acquisition Status

Environmental Management System International Standard [ISO 14001:2015]

Location		Month/Year Certified
Rinnai	Research & Development Headquarters	October 1997
	Production Engineering Headquarters	October 1997
	Oguchi Factory	October 1997
	Seto Factory	December 2000
	Environment Division	December 2000
	Quality Assurance Headquarters	November 2003
	Head Office	December 2008
	Chubu Branch Office	December 2008
	Kansai Branch Office	May 2010
	Logistic Control Office	May 2010
	Kanto Branch Office	May 2011
	Chugoku Branch	May 2011
	Kyushu Branch	April 2012
	Hokkaido Branch	April 2012
	Niigata Sales Office	April 2012
	Tohoku Branch Office	May 2013
	Shikoku Branch	May 2013
	Higashi-Kanto Branch	April 2014
	Kita-Kanto Branch	April 2016
	Customer Service Division	May 2017
	Akatsuki Factory	March 2018
	Oguchi Higashi Factry	June 2018
	Minami-Kanto Branch	June 2019
Domestic Group companies	Gastar Co., Ltd.	October 2001
	Rinnai Technica Co., Ltd.	December 2003
	Yanagisawa Manufacturing Co., Ltd.	June 2004
	Rinnai Precision Co., Ltd.	December 2005
	RT Engineering Co., Ltd.	March 2006
	RB Controls Co., Ltd.	March 2006
	Noto Tech Co., Ltd.	January 2007
Overseas Group companies	Rinnai Korea Corporation	July 1999
	RB Korea Ltd.	October 2006
	Shanghai Rinnai Co., Ltd.	December 2008
	Rinnai Brasil Heating Technology Ltd.	June 2011
	Rinnai New Zealand Ltd.	July 2013
	Rinnai Viet Nam Co., Ltd.	June 2019

Environmental Management System “Eco Action21”

Location		Certified Year/Month
Domestic Group companies	Techno Parts Co., Ltd.	August 2011

Data by Site (Fiscal 2024 Results)

Site name	Location	☑ CO ₂ emissions		☑ Energy use (GJ)*1	Amount of waste generated (including valuables) (Thousands of Tons)*2	Amount of waste into landfill (Thousands of Tons)	Amount of recycled waste (Thousands of Tons)
		Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)				
Oguchi Factory	Oguchi-cho, Niwa-gun, Aichi	2,144	2,576	60,323	4,808	4,799	9
Seto Factory	Seto-shi, Aichi	1,414	3,514	53,312	1,623	1,623	0
Akatsuki Factory	Seto-shi, Aichi	880	1,535	27,936	1,402	1,402	0
Technology Development Center	Oguchi-cho, Niwa-gun, Aichi	2,111	2,659	61,963	155	155	0
Head Office and Sales Offices*3	—	3,567	2,208	75,643	615	565	19
Yanagisawa Manufacturing Co., Ltd.	Kadoma-shi, Osaka	801	641	20,674	407	407	0
Rinnai Technica Co., Ltd.	Kakegawa-shi, Shizuoka	1,130	1,308	29,028	799	793	6
Gastar Co., Ltd.	Yamato-shi, Kanagawa	1,188	1,122	34,650	581	581	1
RB Controls Co., Ltd.	Kanazawa-shi, Ishikawa	780	2,402	32,607	322	311	11
Rinnai Precision Co., Ltd.	Komaki-shi, Aichi	4,311	7,448	139,017	1,920	1,915	1
RT Engineering Co., Ltd.	Toyoda-shi, Aichi	222	1,120	12,609	166	161	4
Noto Tech Co., Ltd.	Nakanoto-cho, Kajima-gun, Ishikawa	1,289	1,034	29,589	702	597	105
Techno Parts Co., Ltd.	Aichi	199	205	5,440	65	62	0
Rinnai Holdings (Pacific) Pte Ltd.	Singapore	47	20	854	—	—	—
Rinnai Hong Kong Ltd.	Hong Kong	0	2	10	—	—	—
Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.	China	40	53	990	—	—	—
Rinnai Italia S.r.l.	Italy	64	18	1,094	0	0	0
Central Heating New Zealand Ltd.	New Zealand	128	7	2,176	49	6	43
Rinnai America Corporation*4	United States of America	2,101	2,904	60,838	1,360	1,360	0
Rinnai Australia Pty., Ltd.*5	Australia	1,230	5,170	46,232	2,336	1,864	472
Shanghai Rinnai Co., Ltd.	China	2,301	9,120	100,722	1,290	1,290	0
Rinnai Korea Corporation	South Korea	2,088	5,035	78,459	1,254	1,200	1
P.T. Rinnai Indonesia	Indonesia	3,969	9,637	119,343	4,853	4,401	452
Rinnai New Zealand Ltd.	New Zealand	195	34	4,908	248	216	31
Rinnai Taiwan Corporation	Taiwan	702	1,012	19,900	222	162	60
Rinnai (Thailand) Co., Ltd.	Thailand	1,039	1,206	30,653	580	548	32
Rinnai Brasil Heating Technology Ltd.	Brazil	143	42	5,943	315	289	26
Rinnai Viet Nam Co., Ltd.	Viet Nam	534	542	11,734	330	330	0
Industrias Mass, S.A. de C.V.	Mexico	165	58	2,940	130	130	0
RB Korea Ltd.	South Korea	95	871	8,019	42	32	0

1. Energy use is the sum of non-renewable energy and renewable energy.
2. In some cases, there is a mismatch between the breakdowns and totals for the amount of waste generated, the amount of waste into landfill and the amount of recycled waste (Unit: Thousands of Tons).
3. Includes the Head Office, nationwide sales offices, logistics centers and the Rinnai Parts Center.
4. Includes Rinnai Canada Holdings Ltd.
5. Includes Rinnai Manufacturing Malaysia Sdn. Bhd.

Data Collection

Water Discharge (Fiscal 2024 Results)

Site	Water discharge standard (Water discharged)	Substance ^{*1}	Regulation value	Voluntary	Actual value (Maximum)
Oguchi Factory	Sewer	pH	5.7-8.7	5.8-8.7	6.6-7.8
		BOD	300	240	87
		COD	—	—	—
		SS	300	240	100
Seto Factory	River (Yatoko River)	pH	5.8-8.6	6.0-8.4	7.2~7.6
		BOD	25(20)	20	2.5
		COD	25(20)	20	6.0
		SS	30(20)	20	12
Akatsuki Factory	River (Kazunari River)	pH	5.8-8.6	5.9-8.5	7.1-7.8
		BOD	20	19	8.0
		COD	20	19	13.0
		SS	20	19	4
Yanagisawa Manufacturing Co., Ltd.	Sewer	pH	5.0-9.0	5.9-8.5	7.5-8.0
		BOD	600	100	7.6
		COD	—	—	—
		SS	600	100	10
Rinnai Technica Co., Ltd.	River (Ota River)	pH	5.8-8.6	6.3-8.1	7.0-7.5
		BOD	25(20)	18	12
		COD	160(120)	18	11
		SS	50(40)	30(20)	3
Gastar Co., Ltd., Yamato Head Office and Factories	Sewer	pH	5.0-9.0	5.2-8.8	7.2-7.7
		BOD	600	480	22.0
		COD	—	—	—
		SS	—	—	—
Gastar Co., Ltd., Research Building	River (Sakai River)	pH	5.8-8.6	6.0-8.4	7.2-8.0
		BOD	15	12	less than 5
		COD	25	20	less than 5
		SS	40	32	5
Rinnai Precision Co., Ltd., Head Office and Komaki Factory	Sewer	pH	5.8-8.6	6.0-8.4	6.9-7.8
		BOD	600	300	75
		COD	—	—	—
		SS	300	300	6
Rinnai Precision Co., Ltd., Kani Factory The Second Building	River (Kani River)	pH	5.8-8.6	5.8-8.6	6.9-7.6
		BOD	15	15	8.8
		COD	—	—	—
		SS	30	30	13
Rinnai Precision Co., Ltd., Kani Factory The Third Building	River (Kani River)	pH	5.8-8.6	5.8-8.6	6.0-7.0
		BOD	15	15	12
		COD	—	—	—
		SS	30	30	5
RT Engineering Co., Ltd.	Sewer	pH	5.7-8.7	5.7-8.2	6.4-7.6
		BOD	300	150	24
		COD	—	—	—
		SS	300	150	6
Noto Tech Co., Ltd.	River (Nagaso River)	pH	5.8-8.2	6.0-8.2	7.0-7.4
		BOD	40(30)	36(27)	22
		COD	160(120)	140(100)	26
		SS	40(30)	36(27)	5

^{*1} pH: Concentration of hydrogen ions, BOD: Biochemical oxygen demand (mg/l), COD: Chemical oxygen demand (mg/l), SS: Concentration of aqueous suspended solids (mg/l),
() Daily average

PRTR Data by Site (Fiscal 2024 Results)^{*2}

Site	Number	Class I designated chemical substance name ^{*2}	Amount of emission/discharge				Amount of transfer	
			Air	Public waters	Soil	Landfill	Sewers	Outside the relevant office
Oguchi Factory	53	Ethylbenzene	1,800	0	0	0	0	760
	80	Xylene	1,900	0	0	0	0	810
	300	Toluene	5,000	0	0	0	0	2,200
	309	Nickel compounds	0	0	0	0	0	70
	405	Boron compounds	0	0	0	0	0	340
Seto Factory	80	Xylene	1,300	0	0	0	0	170
	87	Chromium and chromium (III) compounds	0	0	0	0	0	0
	308	Nickel	0	0	0	0	0	0
	594	Ethylene glycol monobutyl ether	2300	0	0	0	0	17
Akatsuki Factory	53	Ethylbenzene	2,800	0	0	0	0	68
	80	Xylene	3,500	0	0	0	0	84
	627	Diethylene glycol monobutyl ether	1,100	0	0	0	0	28
	691	Trimethylbenzene	1,700	0	0	0	0	43
Gaster Co., Ltd. Yamato Head Office Factory	53	Ethylbenzene	450	0	0	0	0	960
RB Controls Co., Ltd.; Kanaiwa Factory	31	Antimony and its compounds	0	0	0	0	0	260
	265	Tetrahydromethylphthalic anhydride	0	0	0	0	0	0
	448	Methylenebis (4,1-phenylene) diisocyanate	0	0	0	0	0	0
	460	Tritolyl phosphate	0	0	0	0	0	310
RB Controls Co., Ltd.; Tsurugi Factory	448	Methylenebis (4,1-phenylene) diisocyanate	0	0	0	0	0	0
	460	Tritolyl phosphate	0	0	0	0	0	3,700
Rinnai Precision Co., Ltd. Kani Factory	746	N-Methyl-2-pyrrolidone	1,300	0	0	0	0	570
Noto Tech Co., Ltd.	31	Antimony and its compounds	0	0	0	0	0	500
	405	Boron compounds	0	57	0	0	0	1,800

^{*2} Class I designated chemical substances stipulated by the Pollutant Release and Transfer Register (PRTR) Law (Unit: kg), rounded off to two significant digits

Emissions into the Air (Fiscal 2024 Results)

Site	Facility	Substance ^{*3}	Regulation value	Voluntary	Actual value (Maximum)
Oguchi Factory	Combustion furnace	Soot and dust	0.25	0.16	0.001
		NOx emissions	180	150	75
	Boiler	Soot and dust	0.1	0.08	0.002
		NOx emissions	150	96	58
Akatsuki Factory	Combustion furnace	Soot and dust	0.2	0.16	0.003
		NOx emissions	230	180	4
Yanagisawa Manufacturing Co., Ltd.	Boiler	Soot and dust	0.1	0.05	0.002
		NOx emissions	150	100	21
	Combustion furnace	Soot and dust	0.2	0.05	0.002

^{*3} Soot and dust: g/m³N, NOx: ppm, SOx: m³N/h

Data Collection

External Acclaim and Recognition

International Recognition for ESG Efforts

Rinnai was selected for inclusion in the FTSE4Good Index Series and the FTSE Blossom Japan Index, the leading environmental, social and governance (ESG) investment indices.



Rinnai was selected for inclusion in the FTSE Blossom Japan Sector Relative Index formulated by FTSE Russell, a leading environmental, social and governance (ESG) rating organization. In addition to the ESG assessment, Rinnai was evaluated for its environmental impact and management approaches to climate change risks and opportunities.



Rinnai was selected for inclusion in the Sompo Sustainability Index launched by SOMPO Asset Management Co., Ltd.



Selected as a constituent of the S&P/JPX Carbon Efficient Index, which determines the weight of constituents by focusing on the disclosure status of environmental information and the level of carbon efficiency (carbon emissions per unit of revenue).



Evaluation of Climate Change

The Carbon Disclosure Project (CDP), an international non-profit organization, globally evaluates corporate efforts regarding climate change.

- CDP Climate Change**
 CDP Climate Change evaluates the corporate response to climate change. Rinnai has received a B rating.
- CDP Supplier Engagement Rating (SER)**
 The CDP SER evaluates performance in governance, targets, Scope 3 emissions, and value chain engagement within the CDP Climate Change Questionnaire. Rinnai has received an A- rating.



Participation in International Initiatives

The United Nations Global Compact (UNGC) is a voluntary initiative in which member companies and organizations participate in the creation of a global framework to achieve sustainable growth by acting as good members of society through responsible and creative leadership.

Having announced its participation in the UNGC in 2023, Rinnai will support the UNGC 10 principles related to the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and the prevention of corruption, thereby contributing to the creation of a sustainable society.



Rinnai Corporation

<https://www.rinnai.co.jp/en/>